

**AGENDA
TAVARES CITY COUNCIL**

**June 6, 2012
4:00 P.M.**

TAVARES CITY HALL COUNCIL CHAMBERS

I. CALL TO ORDER

II. INVOCATION & PLEDGE OF ALLEGIANCE

Pastor Brooks Braswell, First Baptist Church, Umatilla

III. APPROVAL OF AGENDA

(The City Council Agenda is subject to change at the time of the Tavares City Council Meeting)

IV. APPROVAL OF MINUTES

Tab 1) City Council Meeting May 16, 2012

VII. PROCLAMATIONS/PRESENTATIONS

VIII. SWEARING IN BY CITY ATTORNEY AND DISCLOSURE OF EXPARTE CONTACTS

IX. READING OF ALL ORDINANCES/RESOLUTIONS

Nancy Barnett

X. CONSENT AGENDA

Tab 2) Renewal of Agreement with Lake County for Use of 70 Acres on Frankie's Road for Large Animals

Nancy Barnett

Tab 3) Request to Approve Extension Lease Agreement with School Board re: Occupancy of Bus Barn

Attorney Williams

Tab 4) 2012 Edward Byrne Justice Assistance Grant for Equipment

Stoney Lubins

XI. ORDINANCES/RESOLUTIONS

FIRST READING

Tab 5) Ordinance #2012 – 14 - Implementation & Methodology for Fire Assessment Lori Houghton

SECOND READING

RESOLUTIONS

Tab 6) Resolution #2012-06 Issuance of Bond for Debt Issuance for Financing of General Obligation Note for Wooton Park Expansion Lori Houghton

Tab 7) Resolution #2012-07 - Issuance of Bond for Debt Issuance for Refinancing of Capital Improvement Note for Wooton Park Seaplane Base & Marina Project Lori Houghton

XV. GENERAL GOVERNMENT

Tab 8) Dispatch Services Stoney Lubins

Tab 9) Request to Amend Conditions of Approval of Ordinance #2011-09 – Weiss Planned Unit Development Mike Fitzgerald

Tab 10) Request from Property Owner to Waive Lien for Vacant Property (formerly Lake Building and Lucky Dog) John Drury

Tab 11 Consideration of Extension of Impact Fee Waiver Bill Neron

Tab 12) Discussion on Vacation Holds for Base Rate for Water, Wastewater, Stormwater, and Sanitation Services Councilmember Pfister

Tab 13) Appointments to Library Board Mayor Wolfe

XVI. OLD BUSINESS

XVII. NEW BUSINESS

XVIII. AUDIENCE TO BE HEARD

XIX. REPORTS

Tab 14) City Administrator John Drury

Tab 15) Council Reports City Councilmembers

F.S. 286.0105 If a person decides to appeal any decision or recommendation made by Council with respect to any matter considered at this meeting, he will need record of the proceedings, and that for such purposes he may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

Individuals with disabilities needing assistance to participate in any of these proceedings should contact the City Clerk at least two (2) working days in advance of the meeting date and time at (352) 253-4546.

The Language of Local Government

Definition of Terms

agenda – A list of items to be brought up at a meeting.

annexation – The process by which a municipality, upon meeting certain requirements, expands its incorporated limits.

bid – Formal quotation, based on common specifications, for the provision of goods or services. Opened at public for meeting consideration and award.

budget – A comprehensive financial plan to sustain municipal operations during a given year with related explanation

buffer – A strip of land, vegetation and/or opaque wall that sufficiently minimizes the physical or visual intrusion generated by an existing or future use.

call for the question – Term used to end the discussion and vote on the motion.

capital outlay – Expenditures made to acquire fixed assets or additions to them usually made from the general fund or utility fund where the assets are to be used.

conflict of interest – A term used in connection with a public official's relationship to matters of private interest or personal gain and which prohibits participation in the discussion under decision.

consent agenda – A policy of the governing body to approve, in one motion, routine and/or non-controversial items, which can be determined prior to the meeting

contiguous – Sharing a common boundary.

contingency – An appropriation of funds to handle unexpected events and emergencies which occur during the course of the fiscal year.

DCA – Department of Community Affairs

density – The number of families, individuals, dwellings units, or housing structures per unit of land.

development – A physical change, exclusive of new construction and substantial improvement, to improved or unimproved real estate, including, but not limited to mining, dredging, filling, grading, paving, excavating or drilling operations.

easement – An interest in land owned by another that entitles its holder to a specific limited use or enjoyment

emergency measure – An ordinance recognized by the legislative body as requiring immediate passage.

FDOT – Florida Department of Transportation

general fund – The general operating fund of the municipality used to account for all financial resources except those required to be accounted for in a special fund.

impact fees – Set aside fees collected from developers to pay for infrastructure improvements. Monies used as new development further impacts the municipalities.

infrastructure – The facilities and systems shared or used by all citizens such as transportation, water supply, wastewater and solid waste disposal systems.

intergovernmental agreements – Contract between two or more public agencies for the joint exercise of powers common to the agencies.

intergovernmental revenues – Revenues from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.

line item – A specific item or group of similar items defined by detail in a unique account in the financial records. Revenue, expenditure and justifications are reviewed, anticipated and appropriated at this level.

non-conforming – A use which does not comply with present

zoning conditions but which existed lawfully and was created in good faith prior to the enactment of the zoning provisions.

ordinance – An enforceable municipal law, statute or regulation which applies to all citizens within that municipality; penalty provisions may apply.

public hearing – Provides citizens the opportunity to express their position on a specific issue, both pro and con, as mandated by either statute or by order of proper authority after due notice.

PUD – Planned Unit Development

quasi-judicial – A governmental body that hears sworn testimony, obtains evidence and provides for cross examination of witnesses, with the decision based solely on the evidence presented.

quorum – The prescribed number of members of any body that must be present to legally transact business.

request for proposals – RFP – Notice and related information from a municipality requesting proposals for professional services.

resolution – A decision, opinion, policy or directive of a municipality expressed in a formally drafted document and voted upon.

right-of-way – Strip of land owned by a government agency over which the public has right of passage such as streets, parkways, medians, side walks, easements and driveways constructed thereon.

Sunshine Law – Legislation providing that all meetings of public bodies shall be open to the public (a/k/a open public meeting law).

vacate – To annul; to set aside; to cancel or rescind.

variance – Modification from the provisions of a zoning ordinance granted by a legislative body upon submission of an application and a hearing.

CITY OF TAVARES
MINUTES OF REGULAR COUNCIL MEETING
MAY 16, 2012
CITY COUNCIL CHAMBERS
4:00 p.m.

COUNCILMEMBERS PRESENT

ABSENT

Robert Wolfe, Mayor
Bob Grenier, Vice Mayor
Norm Hope, Councilmember
Lori Pfister, Councilmember
Kirby Smith, Councilmember

STAFF PRESENT

John Drury, City Administrator
Robert Q. Williams, City Attorney
Nancy Barnett, City Clerk
Brad Hayes, Utility Director
Chris Thompson, Public Works Director
Joyce Ross, Communications Director
Bill Neron, Economic Development Director
Tammey Rogers, Community Services Director
Lori Houghton, Finance Director

I. CALL TO ORDER

Mayor Wolfe called the meeting to order at 4:00 p.m.

II. INVOCATION AND PLEDGE OF ALLEGIANCE

Jeff Jarvis, Amazing Life Church, gave the invocation and those present recited the pledge of allegiance.

III. APPROVAL OF AGENDA

Mr. Drury requested to table Tab 3, Tab 4, and Tab 9, until a future meeting. Council had no changes.

MOTION

Bob Grenier moved to approve the revised agenda, seconded by Lori Pfister. The motion carried unanimously 5-0.

1 Mayor Wolfe noted Tab 9 was regarding the Banning Beach sidewalk. Mr. Drury clarified that all
2 the previous conditions still applied. He said staff would ensure everyone is properly notified
3 regarding this item before the next hearing.

4
5 **IV. APPROVAL OF MINUTES**

6
7 **MOTION**

8
9 **Bob Grenier moved to approve the minutes of the City Council Workshop of April 25, 2012**
10 **and Regular City Council Meeting of May 2, 2012 as submitted, seconded by Norm Hope.**
11 **The motion carried unanimously 5-0.**

12
13 **V. PROCLAMATIONS/PRESENTATIONS**

14
15 **Tab 2) Project Status Report for State Road 19 Widening**

16
17 Mr. Skutt reported that FDOT, in cooperation with Lake County, Howey-in-the-Hills, Tavares and
18 the Lake-Sumter MPO is conducting a Project Development and Environment (PD&E) Study
19 evaluating the needs and impacts associated with improving State Road (19) in Lake County
20 between CR 48 in Howey-in-the Hills and CR 561 in Tavares. The proposed project involves
21 widening SR 19 from a two lane undivided roadway to a four lane divided roadway, including the
22 construction of a new Howey Bridge over Little Lake Harris. The study is being conducted to
23 examine the future needs in the SR 19 corridor and to evaluate various alternatives in terms of
24 widening SR 19 versus the impacts of allowing SR 19 to remain in its current condition. He stated
25 that Brian Ribaric of HDR Engineering, the consultant for the project would like to make an
26 update to Council on the scope of the study.

27
28 Mr. Ribaric said the bridge is 62 years old and is eligible for bridge replacement funds. He
29 presented future traffic projections noting four lanes would be required by 2018. He presented
30 three different typical sections which have been proposed that will each require additional right of
31 way: four lane with urban curb and gutter section, high speed urban, and suburban. He discussed
32 the need for right of way acquisition and the utility impacts. He discussed access management
33 alternatives: a signalized intersection similar to the existing one or a roundabout which would be
34 half the costs. The Howey Bridge includes two separate structures with fishing areas on each
35 side near the north and south shores.

36
37 Summary of Impacts was presented with total costs excluding right of way – one million dollars.
38 He said currently for the four laning, final design has been funded for the 2013-2014 year for the
39 project. Bridge funds have been identified by the federal government for the replacement of the
40 existing two lane bridge with a new two lane bridge. It will go to design build in 2016, with
41 preliminary work beginning in 2013 and right of way acquisition in 2014 for the replacement of the
42 two lane bridge.

43
44 Mr. Ribaric invited everyone to attend the longer presentation at Adventure Christian Church next
45 Thursday Mary 24th.

46

1 Councilmember Smith asked if FDOT was planning on assisting the City of Tavares with the
2 removal and replacement of the current utilities in the right of way. Mr. Ribaric said it depended
3 on how the utility was within the right of way, i.e. was it there by permit, by a previous agreement
4 or is it within its own right of way. He said each case will be determined by this issue and there
5 may be an opportunity to acquire federal funds for the relocation for the utilities.
6

7 Councilmember Smith said the city does not have the funds to move utilities. Mr. Cook of FDOT
8 acknowledged there could be substantial costs to the city which may make affect the city's
9 support for the project. He said it is better to address the issue early and to make a plan.
10

11 Mayor Wolfe questioned replacing the bridge as a two lane bridge and the traffic flow. Mr. Cook
12 said the federal funds are available for replacement only currently but the plan is to ensure that it
13 is compatible with the ultimate plan for four laning by adding an adjacent bridge.
14

15 Councilmember Pfister asked about funding opportunities.
16

17 Mr. Drury said he had four items that he would like to discuss further at the next public meeting:
18

- 19 1) Access to a listing of some of the funding sources that other municipalities have used from
20 grants to loans for similar projects in the State of Florida to relocate utilities.
- 21 2) Maintenance costs for a lighted signalization access versus costs for a roundabout
- 22 3) Adequate parking for the fishing areas
- 23 4) Consideration of a golf cart path
24

25 Mayor Wolfe asked if there was public comment.
26

27 VI. SWEARING IN BY CITY ATTORNEY AND DISCLOSURE OF EXPARTE CONTACTS

28

29 None.
30

31 VII. READING OF ALL ORDINANCES/RESOLUTIONS INTO THE RECORD

32

33 VIII. CONSENT AGENDA

34

35 IX ORDINANCES/RESOLUTIONS

36

37 Tab 3) Ordinance #2012-12 – Annexation & Rezoning of 1.41 Acres to General Commercial
38 – Morgan & Morgan/Clear Channel – 14229 U.S. Hwy 441 – Tabled
39

40 Tab 4) Ordinance #2012-13 – Small Scale Future Land Use Amendment – 1.41 Acres –
41 Morgan & Morgan/Clear channel – 14229 U.S. Hwy 441 – Tabled
42

43 X. GENERAL GOVERNMENT

44

45 Tab 5) Discussion of Lake County Ordinance on Animal Tethering
46

47 Mr. Skutts presented the following report:

1
2 *The Lake County Commission recently amended their Code of Ordinances to prohibit the*
3 *tethering of dogs in a manner that would jeopardize the animal's health, safety or well-being. The*
4 *ordinance provides for a \$150 fine for the first offence and a \$500 fine for further violations. Fines*
5 *up to \$5,000 may also be applied if the action results in the injury of the dog. A copy of this*
6 *ordinance is attached to this report. Also attached are the Commission's minutes and discussion*
7 *regarding this action.*

8
9 *Through an existing Interlocal Agreement with Lake County, the Animal Services Division only*
10 *captures and impounds animals that are in violation of our city's animal control codes. If the city*
11 *were to adopt a similar tethering ordinance, our own Code Enforcement Division would be*
12 *responsible for enforcement. Alternatively, the city could seek to amend our Interlocal Agreement*
13 *with the County to include the enforcement of the new tethering ordinance within our city*
14 *boundaries.*

15
16 Discussion

17
18 Councilmember Hope asked Chief Lubins if there is a problem with dog tethering in Tavares.
19 Chief Lubins said he was not aware of reports of cruelty to animals or calls on tethering.

20
21 Councilmember Pfister spoke in support of doing an ordinance. She said perhaps complaints
22 have not been made because people felt there was no option. Councilmember Grenier agreed
23 and expressed concern about animals that do not have access to water if left all day.
24 Councilmember Smith said he felt it an ordinance was unnecessary and that the current rules
25 were adequate.

26
27 Discussion followed on how such a city ordinance might be enforced.

28
29 Mayor Wolfe asked Captain Myers for his comments on calls to dispatch. Captain Myers said the
30 calls have not been specifically about tethering but he could research calls that are received
31 about dog complaints. He said based on his own experience most of the calls are usually about
32 barking and/or dogs being left by their owner in a car.

33
34 Mayor Wolfe asked for audience comment

35
36 MOTION

37
38 **Kirby Smith moved to take no action on the dog tethering ordinance, seconded by Norm**
39 **Hope. The motion carried unanimously 3-2 as follows:**

40
41 **Robert Wolfe** Yes
42 **Kirby Smith** Yes
43 **Norman Hope** Yes
44 **Lori Pfister** No
45 **Bob Grenier** No

46
47 **Tab 6) Authorization to Develop Qualifications for Independent Retirement Plan Advisor**

1
2 Ms. Tucker presented information regarding the city's current retirement plans offered to its
3 benefit-eligible employees including the Police Officers Pension Plan, the Firefighters Pension
4 Plan, Hartford Retirement Plan and the Florida Retirement System.

5
6 She said In addition, the City offers opportunities for employees to participate in retirement
7 savings plans through ICMA, The Hartford and Nationwide on a voluntary pre-tax basis through
8 payroll deduction.

9
10 She noted that Pension plans administration and voluntary pre-tax retirement savings plans are
11 subject to a broad range of complex and specialized federal and state regulatory requirements.
12 As these requirements change, it is incumbent upon the City as the Plan Sponsor to ensure
13 compliance at all times; and to understand present and future impacts of those changes to each
14 Plan, to each of its members, and to the City as well.

15
16 The City's local Pension Boards may periodically bring forward recommended changes to their
17 respective Plans for Council approval. The Council may then be faced with the risk of assessing
18 the impact these recommendations may create, without the benefit of an independent advisor
19 specializing in Florida pension plans to provide a detailed impact report and professional
20 guidance for their consideration.

21
22 She said that staff recommends that services rendered by an independent retirement plan advisor
23 be contracted for a 5-year period, and that payments for the previously outlined services be
24 based on an hourly rate, to be billed for hours worked exclusively performing those services.

25
26 Discussion

27
28 Mr. Drury added that currently he reviews proposed changes to the pension plans with the
29 assistance of the City Attorney, Human Resources Director, and Finance Director in order to
30 make a recommendation to the City Council regarding the long term effects on the city's budget
31 for the next five to ten years. He said it can be a complicated subject matter. He spoke in support
32 of having the availability of the services of an independent advisor.

33
34 Councilmember Hope said from his former position on the Police Pension Board, the Board
35 attorney did this for the pension boards and he had felt very comfortable that any
36 recommendation he made had no adverse effect on the city. He said he could see why this might
37 be needed for the other plans.

38
39 Councilmember Smith said he liked having the option available.

40
41 Councilmember Pfister asked if this decision could wait for the budget process.

42
43 Mr. Drury said it is a two step process: 1) to approve who will be the firm or individuals and then
44 2) in the budget process decide whether or not to fund.

45
46 Mayor Wolfe asked for Public Comment

47

1 Denise Laratta, Chairman of Fire Pension Board

2
3 Ms. Laratta said both boards hire firms to ensure everything is done legally and the advisors
4 provide excellent support.

5
6 Charlotte Hope, Board Trustee, Fire Pension Board

7
8 Ms. Hope said she agreed with Ms. Laratta and that she felt no additional advisor was needed for
9 the Police and Fire Board.

10
11 **MOTION**

12
13 **Norm Hope moved to approve the staff developing a Request for Qualifications for a**
14 **retirement plan advisor, seconded by Kirby Smith. The motion carried unanimously 5-0.**

15
16 **Tab 7) Award of Request for Proposals for General Obligation Note Series 2012 for Wooton**
17 **Park Expansion**

18
19 Ms. Houghton noted she had provided updated summaries for Tab 7 and Tab 8 that gave more
20 detail on the fiscal impact. She said this is to request approval of RFP #2012-20 for award of a
21 General Obligation Note to finance the Wooton Park Expansion. She reviewed the actions taken
22 previously and the referendum. The objective of the RFP was to obtain financing for the project
23 and to obtain the lowest overall interest cost while providing maximum flexibility to the city. Two
24 proposals were received from BB&T and JP Morgan Chase.

25
26 The city's financial advisor reviewed the bids and has recommended the award to BB&T which
27 although it is a higher rate, is a fixed term provision for the full term of the loan.

28
29 **MOTION**

30
31 **Kirby Smith moved to approve Option #1 following staff's recommendation of 3.49 interest**
32 **rate over 20 years, seconded by Bob Grenier,**

33
34 Mayor Wolfe asked if there was comment from the audience.

35
36 Kay Hauserman

37
38 Ms. Hauserman questioned the information in the summary. Mayor Wolfe said Council had
39 received an updated summary from staff [not in the packet] and 3.49% was the updated rate.

40
41 Denise Laratta

42
43 Ms. Laratta asked what would be the difference if the 15 year term was chosen rather than 20
44 year. Ms. Houghton said a 15 year term was approximately \$39,000 less annually or about \$4.00
45 less for the taxpayer.

46
47 **The motion carried 4-1 as follows:**

1
2 **Robert Wolfe** Yes
3 **Bob Grenier** Yes
4 **Kirby Smith** Yes
5 **Lori Pfister** No
6 **Norman Hope** Yes
7

8 **Tab 8) Award of Request for Proposal for Capital Improvement Revenue Funding Note**
9 **Series 2012 for Refinancing of Capital Improvement Note for Wooton Park Seaplane Base**
10 **& Marina Project**
11

12 Ms. Houghton stated this is a request for approval of the award for RFP #2012-0017 for the
13 Capital Improvement Revenue Refunding Note for the Wooton Park Seaplane Base project.
14

15 Ms. Houghton reviewed the previous actions taken by Council and the RFP process. The
16 objective of the RFP was to obtain proposals for debt service savings and for flexibility for the city.
17 Proposals were received from three banks: BB&T, JP Morgan Chase and SunTrust. The bids
18 were evaluated by the city's financial advisor and proposals were ranked.
19

20 Ms. Houghton said that SunTrust's Option 1 provides a fixed rate for the full term of the loan and
21 flexibility to refinance the loan in the future without penalty.
22

23 Mr. Galvin from SunTrust stated that the proposed interest rate was provided as a rate lock which
24 means that they have put a ceiling on interest rates. If interest rates lower between now and
25 closing the rate may be lower but it will not be any higher than 2.41.
26

27 Mayor Wolfe asked for audience comment.
28

29 **MOTION**
30

31 **Bob Grenier moved to approve the staff recommendation of the SunTrust Option #1 for an**
32 **interest rate of 2.36%, seconded by Kirby Smith.**
33

34 Councilmember Smith asked how this might affect the lowering of the millage rate.
35

36 Mr. Drury said the budget is being developed to show a \$59,000 in the debt service cost for that
37 line item. He said he was not sure it will equal a millage rate reduction.
38

39 Councilmember Hope asked if Council would need to approve the rate again should it go up to
40 2.41%.
41

42 Mr. Galvin said the resolutions will come back to Council that will show the rate locked in. He said
43 the action today is to authorize the City Attorney, bond counsel and himself to continue with the
44 bank financing, and select the financial institution.
45

46 **The motion carried unanimously 5-0.**
47

1 **Tab 10 Request for Waiver of Rental Fees at Civic Center for “Autism Speaks” Fundraising**
2 **Event**

3
4 Ms. Rogers provided the background on this request.

5
6 Ms. Slight spoke about the fundraising event and about the condition of autism and need for
7 research and family services in this area.

8
9 Mayor Wolfe asked if the city has waived fees for other organizations. Ms. Rogers confirmed.

10
11 Mayor Wolfe noted the walk is being held in Altamonte Springs. Ms. Slight said her team is
12 located in Lake County and she focuses on recruiting people in Tavares to attend the walk.

13
14 **MOTION**

15
16 **Lori Pfister moved to approve Option 1 to waive the rental fees of \$162.00 for the Civic**
17 **Center for this event, seconded by Bob Grenier.**

18
19 Discussion followed on the issue of setting a precedent. Mayor Wolfe stated he thought this could
20 be considered on a case by case basis. Councilmember Pfister noted if it is a good cause for a
21 community event she would be in support.

22
23 **The motion carried unanimously 5-0.**

24
25 **Tab 11) Approval of Agreement with GSG (Government Services Group) to Provide a**
26 **Specialized Update to the Fire Assessment Study and Provide Specialized Assistance for a**
27 **City Fire Service Assessment Program**

28
29 Ms. Houghton provided the following report:

30
31 *The objective is to seek Council's approval to execute an agreement in the amount of \$30,000*
32 *with GSG, Government Services Group, to provide a study update to include tiered rates, and to*
33 *provide specialized assistance for a Fire Assessment Services Program, and to also approve a*
34 *budget amendment from reserves for same.*

35
36 **SUMMARY:**

37
38 ***On December 17, 2008, the City Council approved award of contract to GSG, Government***
39 ***Services Group for preparation of a comprehensive fire services assessment study which***
40 ***included preparation of the assessment roll, and assistance to staff for implementation based on***
41 ***the uniform method of collection. A contract was executed to GSG in the amount of \$59,515.30,***
42 ***and an assessment study was prepared with an assessment roll based on the uniform collection***
43 ***method.***

44
45 ***On April 4, 2012, the City Council discussed budget priorities and constraints for fiscal year***
46 ***2013. The Council also discussed implementing a fire assessment fee. A workshop for detailed***

1 discussion was then scheduled and held on April 25, 2012. Council requested staff to look at
2 improvements to the Commercial fee structure from the 2009 study.

3
4 **On April 25, 2012**, the City Council directed staff to move forward on preparing a draft budget
5 that included options “with” a fire assessment fee. Staff reported to the Council that a tiered rate
6 option could be implemented and included with an update to the current study.

7
8 *It appears that service levels for Fire Services have remained fairly constant thus the current*
9 *study serves as the basic foundation for preparing a budget to include fire assessment fees for*
10 *fiscal year 2013. Although the current study provides a good foundation, some additional*
11 *specialized tasks are needed from the consultant. A list of needed tasks is provided on the*
12 *agenda summary. She noted some updates need to be made to also include the changes in*
13 *property characteristics since 2008.*

14
15 *As GSG, Government Services Group, prepared the City's Fire Assessment Study (awarded*
16 *based on a competitive process), and has captured most of the needed data for the additional*
17 *needed tasks, staff recommends utilizing GSG for the additional services that are needed for the*
18 *Fire Assessment Budget and implementation. GSG has provided a proposal in the amount of*
19 *\$30,000 for the needed tasks.*

20
21 *A copy of GSG's proposal is attached for Council's review.*

22
23 *This request also requests a budget amendment from reserves, but it is anticipated that*
24 *expenditures for this study and costs of implementation for billing may be recovered from fire*
25 *assessment collections should the City move forward.*

26
27 Ms. Houghton stated that Sandy Melgarejo from Government Services Group was present to
28 answer questions. She said she also provided to Council a copy of a schedule of the tasks to be
29 performed and the time line.

30
31 Mr. Drury stated the payment schedule begins with \$11,500 to begin the study in order to make
32 the time deadlines outlined on the schedule for implementation on October 1st. The budget will be
33 presented in July and the maximum tentative millage rate and the maximum fire assessment fee
34 will be voted on at the end of July. He said if Council was not to go forward with the fire
35 assessment at the July meeting there would be no further work or payments. If after review of the
36 budget, the maximum fire assessment fee is set, then the second payment of \$11,000 would go
37 forward. In September if Council wishes to not move forward then the last payment of \$7500
38 would not be made at that point.

39
40 Discussion

41
42 Councilmember Pfister asked if the city could utilize the past study and do its own percentages.

43
44 Mr. Drury said that was not an option.
45

1 Councilmember Hope said that Council has not made a decision and is being asked to spend
2 \$30,000 out of reserves on the chance that there may be a fire assessment. He asked Council if it
3 was ready to decide whether the city would have a fire assessment.
4

5 Mr. Drury said Council is not being asked to vote on the full \$30,000, just the first \$11,500 to meet
6 the implementation date. He said he envisioned that on July 28th, Council will be making its
7 decision on whether it wants to move forward with the fire assessment.
8

9 Mayor Wolfe asked about the time line. He noted that at the last meeting Council was uncertain
10 due to wanting more information on the residential versus commercial increases. He asked if the
11 implementation could be changed to a later date such as January 1st. Mr. Drury said the millage
12 rate would have to cover the first quarter.
13

14 Ms. Houghton said the collection from property taxes is received by the city in January. She said
15 if Council wanted the assessment to become effective January 1st it would still need to be
16 approved in the current budget year otherwise the millage rate would be needed to fund the entire
17 year.
18

19 Councilmember Smith asked the price of the original 2009 fire assessment study. Ms. Houghton
20 answered approximately \$60,000. He noted the entire fee (which covered the schedule of
21 activities) was paid even though Council voted not to do the assessment. He asked if the first part
22 of the work could be done pro bono.
23

24 Ms. Melgarejo answered that all the tasks were completed in 2009 including mailing of notices,
25 the holding of public hearings etc. She said this proposal is to update what was done before. The
26 budget will need to be updated along with all the parcel information. It is anticipated there should
27 be more commercial properties which should reduce the commercial rate.
28

29 Councilmember Smith said he believed everyone should pay their share and that he agreed with
30 the concept but not the numbers. He asked if the firm would do some analysis for free and come
31 up with some numbers that do not affect the commercial as much.
32

33 Ms. Melgarejo said she did not have the authority to agree with that proposal.
34

35 Councilmember Pfister questioned why the previous numbers could not be used. Mr. Drury said
36 this contract would update the rolls, develop the ordinances, and hold the public hearings. Mr.
37 Drury said one of the tasks is to update the apportionment methodology.
38

39 Discussion followed regarding the tasks being proposed by the updated study.
40

41 Councilmember Pfister said it does not matter what the numbers say if they are not doable. She
42 said she believed Council could take the numbers they already have and pick a percentage that
43 is doable without having to spend further funds.
44

45 Mr. Drury responded that Council would have to make the determination of whether to do the fire
46 assessment, millage, or eliminate services. He said staff is trying to provide a methodology to

1 enable people who are not paying taxes to participate and to open the mechanism for the not for
2 profits such as the jail and the hospital to pay.

3
4 Mr. Drury said one option is to delay the decision on the contract until July 28th and at least spend
5 \$5,000 to hire GSG to provide the numbers needed in order to make a decision on July 28th. He
6 asked for authorization for some funding to produce the numbers by July 14th.

7
8 **MOTION**

9
10 **Norm Hope moved to authorize Mr. Drury to expend \$5,000 from reserves to get the basic**
11 **numbers needed to give Council solid figures for the fire assessment, seconded by Kirby**
12 **Smith.**

13
14 Councilmember Smith asked for further information on the data that would be provided.

15
16 Ms. Melgarejo responded that if Ms. Tharpe of GSG approves the agreement, that she believed
17 that for \$5,000 to \$7000 the roll would be updated, the new budget reviewed, and preliminary
18 rates calculated based on the new parcel data.

19
20 Mayor Wolfe asked for public comment.

21
22 Charlotte Hope, Fox Run

23
24 Ms. Hope said this is a contract update. She asked what would happen after the \$5,000 is paid to
25 the firm in terms of the remaining \$30,000.

26
27 Denise Laratta

28
29 Ms. Laratta said she remembered [in 2009] that there was more concern over churches, non-
30 profits and government not paying. She said if Council wants the figures right on businesses the
31 figures on some of those entities should also be clarified.

32
33 Norb Thomas

34
35 Mr. Thomas said his memory from being on Council at that time was that the main concern had to
36 do with the churches who did not want to pay for the fire assessment. He said he had voted for
37 the fire assessment fee.

38
39 Vice Mayor Grenier asked if a fire assessment is done would there be \$25,000 more to be paid.
40 Mr. Drury confirmed and said it would be paid from the fire assessment. Mr. Drury said he could
41 not in good conscience recommend that Council institute a fire assessment that will not be legally
42 sufficient. He said GSG is the best firm in the State of Florida and have been associated with
43 successful case law by establishing an assessment that is legal and binding and defensible. He
44 said he could not recommend that Council pick fees without the documentation of a reputable
45 firm.

46
47 Discussion followed regarding other possibilities of utilizing the information from the first study.

1
2 Mr. Drury said a study was brought to Council that was voted down by Council and he felt the
3 direction had been to not use the first study. He said there are three things changing: the number
4 of commercial businesses contributing, the methodology (flat fee), and the method of collection
5 from ad valorem taxes to a fee. He said it is different from the previous and the question is
6 whether the other method should be provided so a fully informed decision can be made.
7

8 Councilmember Smith said he likes to manage by facts and for \$5,000 if the right facts can be
9 provided he would agree to the expenditure,
10

11 **The motion carried 4-1 as follows:**

12		
13	Robert Wolfe	Yes
14	Kirby Smith	Yes
15	Bob Grenier	Yes
16	Norm Hope	Yes
17	Lori Pfister	No

18
19 **Tab 12) Authorize Staff to Develop a Plan for Possible Replacement of Water Taxis**

20
21 Mr. Drury stated that he would like to explore transferring the boats to a community with deeper
22 water levels but retaining the name of the boats. He said he would also be asking that Council
23 allow him to set up a committee to look at options for future water taxi services. The goal is to
24 recoup the money spent on refurbishing the taxis. He said he felt the taxis have served their
25 purpose and were useful initially but cannot function as well with the current low water levels.
26

27 Councilmember Pfister said she supports the recommendation but would rather be out of the
28 water taxi business. Councilmember Grenier said he would like to continue to look at future
29 options and would be happy to serve on a committee. Mayor Wolfe said he agreed with Ms.
30 Pfister.
31

32 **MOTION**

33
34 **Kirby Smith moved to sell or find options to disburse with the water taxis and at a later**
35 **date come up with a plan for other water taxi solutions, seconded by Norm Hope.**
36

37 Denise Laratta

38
39 Ms. Laratta said that she understood when the boats were acquired that they were originally
40 acquired from Broward County who had obtained them through a government grant and they
41 were not allowed to be sold because of the terms of the grant.
42

43 Mr. Drury said he thought that was incorrect and he would argue that the boat is over 20 years
44 and past its useful life, and the costs to rehabilitate the boats were not part of the original grant
45 and are therefore expenses above and beyond what the original grant agreement. He said he will
46 be looking for a partial reimbursement of the costs that the city spent to fix the broken air
47 conditioners, etc.

1
2 Gail Heneghan, 512 Lake Dora Drive

3
4 Ms. Heneghan she had originally thought it had been a good idea however it has not proven to be
5 so because of their size and the drought conditions. She said if there is any amount of money that
6 can be possible be recouped from the boats, it should be put in the General Fund and for the time
7 being let private enterprise provide the service.

8
9 Council Discussion

10
11 Vice Mayor Grenier asked for clarification of the motion. Councilmember Smith said his motion is
12 to get rid of the boats and do not do anything else until a later date.

13
14 **The motion carried unanimously 5-0.**

15
16 **Tab 13) Approval to withdraw USDA Funding Application for Stormwater Infrastructure**
17 **System Upgrades in the CRA**

18
19 Mr. Hayes said previously the City Council signed an application and EJCDC Documents
20 between Malcolm Pirnie and the USDA seeking a Grant /Loan for the proposed \$9,470,799
21 Stormwater improvements in the CRA District. During the application process and the filing of the
22 Environmental Report the USDA discovered a rule in their policies that disallows funding, if the
23 project, involves relocating or eliminating wetlands. This project has a small wetland in the
24 stormwater pond that will be eliminated and mitigated. Consideration for this work is not
25 acceptable and for this reason the City does not have an acceptable application and may not
26 receive any funding.

27
28 Mayor Wolfe asked about other sources of funding. Mr. Hayes said there is a \$750,000 grant and
29 \$250,000 grant from the Lake County Water Authority for construction of the stormwater pond.

30
31 Councilmember Smith asked if Malcolm Pirnie has received payment. Mr. Hayes said they have
32 done the work on the grant application pro bono. Councilmember Hope asked if there is a
33 deadline on the usage of the funds. Mr. Drury said it is generally one year from the date of the
34 award.

35
36 Councilmember Hope asked about the process of connection from the pond to the drainage
37 system. Mr. Hayes said an interceptor would be part of the pond which would run along Ruby
38 Street. The stormwater from the rest of the CRA would connect with the interceptor pipe. Mr.
39 Drury said the funding from the Wooton Park referendum to address stormwater is available
40 along with the Water Authority funds and staff will continue to look for additional funding to
41 relocate the direct pipes that go into the lake for diversion to the retention pond.

42
43 **MOTION**

44
45 **Norm Hope moved to withdraw the contract document and application between USDA and**
46 **Malcolm Pirnie, seconded by Kirby Smith. The motion carried unanimously 5-0.**

47

1 **XI. OLD BUSINESS**

2
3 **XII. NEW BUSINESS**

4
5 **XIII. AUDIENCE TO BE HEARD**

6
7 **Denise Laratta**

8
9 Ms. Laratta requested that Council either turn on their mikes or lean into them when speaking as
10 it had been difficult to hear.

11
12 Mayor Wolfe requested at the next meeting the audience let him know early in the meeting if the
13 councilmembers cannot be heard.

14
15 **XIV. REPORTS**

16
17 **City Administrator**

18
19 Mr. Drury reminded everyone of the May 24th meeting regarding the widening of SR 19.

20
21 **City Clerk**

22
23 **Economic Development**

24
25 **Fire Department**

26
27 **Public Works Department**

28
29 **Community Services Department**

30
31 Ms. Rogers mentioned the Classic Car Show this coming Friday night on Main Street and the
32 Leon Russell concert on Saturday at the Kooser property including two additional bands playing
33 on Sunday.

34
35 **Public Communications**

36
37 Ms. Ross said she had been asked to bring back information on the Viewpoint and Terry
38 Bradshaw video. She said she had spoken with the production company and they have said they
39 would be happy to come back at a future date. Funding can be addressed during the budget
40 process.

41
42 **Human Resources**

43
44 **Fire Department**

45
46 Chief Keith said in 2008 an earmark through Congressman Grayson had been acquired for a
47 public safety facility and an Emergency Operations Center and a grant was given for \$500,000

1 through FEMA. Through the continued efforts of Congressman Daniel Webster, the funds have
2 now been transferred to Tallahassee. He said the contract with the architect will be processed
3 once the agreement with the State Department of Emergency Management is finalized.
4

5 **Community Development**
6

7 Mr. Skutt said that the applicant for the Morgan and Morgan project had requested that the
8 ordinances be tabled specifically to the second meeting in June.
9

10 **Tab 10) City Council**
11

12 **Councilmember Pfister**
13

14 **Councilmember Hope**
15

16 **Vice Mayor Grenier**
17

18 Vice Mayor Grenier thanked staff for the positive emails on the projects in the city.
19

20 **Councilmember Smith**
21

22 **Mayor Wolfe**
23

24 **Adjournment**
25

26 There was no further business and the meeting was adjourned at 6:48 p.m.
27

28 Respectfully submitted,
29

30
31 
32

33 Nancy Barnett, CMC
34 City Clerk

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**AGENDA SUMMARY
TAVARES CITY COUNCIL
DATE OF MEETING: June 6, 2011**

AGENDA TAB NO. 2

SUBJECT TITLE: Renewal of Agreement with Lake County to Use City Property for Livestock

OBJECTIVE: To approve the renewal of the Agreement with Lake County to house livestock at its Animal Control Facility on Frankie's Road.

SUMMARY:

City Council approved an agreement with Lake County to house livestock on 70 acres on Frankie's Road adjacent to the Lake County Animal Control Facility in 2010. The agreement is renewable annually and was renewed by Council in June of 2011.

OPTIONS:

- 1) **Approve the extension of the agreement with Lake County for one year to house livestock at the city property on Frankie's Road**
- 2) **Do not approve the agreement**

STAFF RECOMMENDATION:

Move to approve the extension of the agreement with Lake County for one year to house livestock at the city property on Frankie's Road.

FISCAL IMPACT: None

LEGAL SUFFICIENCY: Legally sufficient.

COR-527



LAKE COUNTY
FLORIDA
COUNTY ATTORNEY'S OFFICE

SANFORD A. MINKOFF*
County Attorney
sminkoff@lakecountyfl.gov

MELANIE N. MARSH*
Deputy County Attorney
mmarsh@lakecountyfl.gov

ERIN HARTIGAN
Assistant County Attorney
ehartigan@lakecountyfl.gov

*Board Certification in City, County and Local Government Law

May 15, 2012

John Drury
City Administrator
City of Tavares
201 E. Main Street
Tavares, FL 32778

RE: Renewal of Revocable Non-Exclusive Agreement with Lake County – use of 70 acres on Frankie's Road

Dear John:

The above-referenced License Agreement was for a one year period and is due to expire July 8, 2012. Pursuant to Section 5 of the License Agreement, the term of the Agreement shall not exceed one year without prior approval by the City.

Please accept this letter as Lake County's request for extension of the Agreement for one year. If this request is acceptable to the City, please let me know.

If you have any questions, please feel free to give me a call.

Sincerely,

Quinnette Durkin
Property Manager

/qsd

From original request
of 2010

Williams, Smith & Summers, P.A.

Robert Q. Williams
380 West Alfred Street
Tavares, Florida 32778
Phone: 352-343-6655 Fax: 352-343-4267
e-mail: rqw@wssattorneys.com

MEMORANDUM

TO: Mayor and City Counsel, John Drury
FROM: City Attorney, Robert Q. Williams
RE: Temporary Storage of Livestock - Old Tri-City Landfill Site
DATE: MAY 28, 2010

On May 27, 2010, I got in an e-mail request from County Attorney Melanie Marsh. Requesting, on an emergency basis, the consent of the, cities of Tavares, Mount Dora, and Eustis to use a portion of the vacant acreage owned by those three cities near Frankie's Road, for the temporary housing of abused horses and livestock that have been seized by Lake County. The property in question is the old Tri-City's Landfill site located off County Road 561, South of Tavares. My recollection is that Mount Dora and Eustis each own a 40% undivided share in the property and that the city of Tavares owns a 20% undivided share.

According to Ms. Marsh, the County needs approximately five to ten acres of the vacant property to house these animals. The County will fence and maintain the property, and be responsible for taking care of the animals. We did not discuss this specifically, but I assume the County will also assume the liability for securing and housing the animals.

If this meets with your approval, please let us know so that we can approve of this temporary arrangement, either formally or informally as the case may be.

RQW/jsy

REVOCABLE NON-EXCLUSIVE LICENSE AGREEMENT

THIS AGREEMENT is made by and between Lake County, Florida, a political subdivision of the State of Florida, hereinafter the "County," and the City of Tavares, a municipal corporation organized under the laws of the State of Florida, hereinafter the "City"

RECITALS

WHEREAS, County has limited acreage at its Animal Control facility to house a large number of livestock; and

WHEREAS, due to the recent increase in Animal Control cases requiring seizure of livestock, including but not limited to cows and horses, additional acreage is needed to house the animals on a temporary basis; and

WHEREAS, City owns approximately 70 acres on Frankie's Road, near the County's Animal Control facility, identified as Alternate Key 1095123, hereinafter the "Property", and

WHEREAS, County desires to use the Property to place livestock on a temporary basis;

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the County and City hereby agree as follows:

1. The foregoing recitals are true and correct and are incorporated herein by reference.
2. By the execution hereof, City grants County a revocable, non-exclusive permit to use the Property identified as Alternate Key 1095123 for placement of seized livestock, including but not limited to cows and horses. County shall be allowed to fence approximately a five (5) to ten (10) acre tract in order to prevent the livestock from straying from the Property.
3. The County agrees to properly maintain and safeguard the Property during the term of

this permit.

5. The term of this permit shall not exceed a period of one (1) year from the date of execution by the parties without prior approval by City.

A. All notices, demands, or other writings required to be given or made or sent in this Agreement, shall be in writing and addressed as follows:

COUNTY

County Manager
Post Office Box 7800
315 West Main Street
Tavares, FL 32778-7800

CITY

John Drury
City Administrator
201 E. Main Street
Tavares, FL 32778

6. It is specifically agreed between City and County that this license granted under and pursuant to this Agreement is personal to the County and shall not inure to the successors or assigns of the County.

7. No assignment or other transfer of the license granted under this Agreement, or any interest in such license, and no sublicense for any purpose shall be made or granted by the County without the express, prior, and written consent of City.

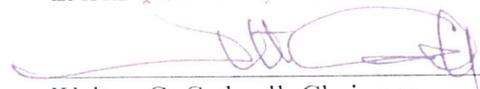
Dated this 6th day of July, 2010.

ATTEST:



Neil Kelly, Clerk of the Board
of County Commissioners of Lake
County, Florida

BOARD OF COUNTY COMMISSIONERS
LAKE COUNTY, FLORIDA



Welton G. Cadwell, Chairman

This 8th day of July, 2010.

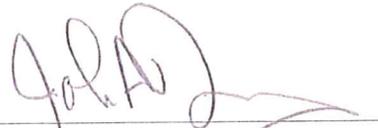
Approved as to form and legality:



Melanie Marsh
Acting County Attorney

Revocable Non-Exclusive License Agreement Between Lake County and the City of Tavares

CITY



John Drury, City Administrator

This 8th day of June, 2010.

**AGENDA SUMMARY
TAVARES CITY COUNCIL
DATE OF MEETING: June 6, 2012**

AGENDA TAB NO. 3

SUBJECT TITLE: Request to Approve Extension of Lease Agreement with Lake County School Board for Bus Barn Property

OBJECTIVE:

To discuss as request from the Lake County School Board to extend occupancy of the bus barn property by 30 days (estimated July 7, 2012).

SUMMARY:

The City Attorney has advised that the Lake County School Board has requested that the City extend the terms of the agreement for the property swap for the public safety facility for 30 days which allows them to occupy the bus barn. The current agreement requires them to vacate the property within 365 days of the date the deeds are executed.

OPTIONS:

- 1) Move to approve the extension of the agreement with the Lake County School Board regarding occupancy of the bus barn property by 30 days.
- 2) Do not approve the request.

STAFF RECOMMENDATION:

Move to approve the request with the Lake County School Board to extend the occupancy of the bus barn by 30 days per the terms of the property swap agreement.

FISCAL IMPACT:

N/A

LEGAL SUFFICIENCY:

Legally sufficient

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**AGENDA SUMMARY
TAVARES CITY COUNCIL
DATE OF MEETING: JUNE 6, 2012**

AGENDA TAB NO. 4

**SUBJECT TITLE: Edward Byrne Memorial Justice Assistance Grant (JAG)
Countywide Funding– Technology Improvements**

OBJECTIVE:

To consider the request to apply for and accept funding from the 2012 Edward Byrne Memorial Justice Assistance Grant (JAG) Countywide Funding for purchase of tablet computers, covers and wireless keyboards for the Police department.

SUMMARY:

The U.S. Department of Justice will be dispersing 2012 Edward Byrne Memorial Justice Assistance Grant (JAG) Countywide funds for FY 2012/2013 through a reimbursable grant. The countywide allotment is \$113,436. At the Substance Abuse Advisory Board Meeting on May 30th, it was determined that the City of Tavares Police Department portion of this funding will be \$4,886. This funding will be used to purchase tablet computers, covers and wireless keyboards.

OPTIONS:

- 1) Apply for and accept the 2012 Edward Byrne Memorial Justice Assistance Grant (JAG) Countywide funds for FY 2012/2013.
- 2) Do not apply for the grant

STAFF RECOMMENDATION:

Move to apply for and accept the 2012 Edward Byrne Memorial Justice Assistance Grant (JAG) Countywide funds for FY 2012/2013 in the amount of \$4,886.

FISCAL IMPACT:

100% reimbursable grant with no match requirement

LEGAL SUFFICIENCY:

This has met legal sufficiency.

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**AGENDA SUMMARY
TAVARES CITY COUNCIL
DATE OF MEETING: June 6, 2012**

AGENDA TAB NO. 5

SUBJECT TITLE: Ordinance No. 2012 -14 Fire Assessment Implementation

OBJECTIVE:

To consider adoption of Ordinance Number 2012-14 providing for implementation of a Fire Assessment and providing definitions, collection methods, and process for annual assessments.

SUMMARY:

During the preparation of the Fiscal Year 2013 General Fund Operating Budget, the City faces a budgetary shortfall due to continued property value declines in an economic environment with continued cost increases for goods and services.

In the coming fiscal year the City is expected to experience a decrease of 3.5% in taxable values for ad valorem tax collections. In addition state shared revenues are not expected to provide significant increases in revenue collections, and many expenditures such as fuel, utilities, liability insurance, health insurance, contractual services and various supplies used in day to day operations are expected to increase in fiscal year 2013.

As outlined in the fiscal year 2013 Budget Priorities to the City Council on April 4, 2012, the City expects a budgetary shortfall of approximately \$540,000. Options provided to the Council to address this shortfall included increasing the current millage rate, using General Fund reserves or implementing a fire assessment for benefited properties.

Many residents and entities receive the benefits of fire suppression services but provide little or no contribution to the cost of maintaining these services. For example governmental entities and not-for-profits are exempt from ad valorem taxes but receive the benefit of fire services. City residents with home values less than \$75,000 may pay little or no ad valorem tax, thus they receive the benefit of fire suppression services but experience little or no associated cost. In order to attain equities among property owners and residents, a fire assessment fee would most likely spread the cost of services amongst those that receive its benefit and not just those who pay ad valorem tax.

In fiscal year 2009 a fire assessment study was prepared by Government Services Group and in July 2009 study results were presented to the City Council. Many elements of the study are still relevant and may be applied. Updates to the original study will be required if tiered rates for Commercial properties are desired. Updates may also be needed to update any impacts of the current assessment roll on assessment rates. Updates to the assessment roll will be required.

On April 25, 2012, the City Council held a Workshop for discussion of a fire assessment. At the Workshop, the City Council requested staff to include budget options that provide for inclusion of a fire assessment in the proposed fiscal year 2013 proposed budget.

In order to allow staff to implement a fire assessment in the proposed budget as an available revenue source, an implementation/enabling ordinance is needed. As part of the implementation and budgetary process, Ordinance Number 2012-14 is presented for Council's consideration. This Ordinance provides definitions of key terms for fire assessment implementation as well as collection methodology (utility bill collection), assessment roll preparation and notice and procedural processes which will enable staff to begin the implementation process to provide a proposed budget to the City Council with inclusion of a fire assessment for Council's review and subsequent approval or disapproval.

Staff recommends approval of Ordinance Number 2012-14 which provides a working guide for staff to move forward through the implementation and budget process for fire assessments.

OPTIONS:

1. Move to approve Ordinance Number 2012-14 which enables staff to move forward with the Fire Assessment Implementation process for inclusion in the proposed budget for fiscal year 2013 to the City Council.
2. Do not move to approve Ordinance Number 2012-14 for Fire Assessment Implementation process.

STAFF RECOMMENDATION:

Move to approve Ordinance Number 2012-14 which enables staff to move forward with the Fire Assessment Implementation process for inclusion in the proposed budget for fiscal year 2013.

FISCAL IMPACT: N/A

LEGAL SUFFICIENCY:

This has been reviewed for legal sufficiency

ORDINANCE NO. 2012-14

AN ORDINANCE AUTHORIZING THE IMPLEMENTATION OF A FIRE ASSESSMENT; PROVIDING DEFINITIONS FOR THE PROPOSED FIRE ASSESSMENT; PROVIDING APPLICABILITY; PROVIDING FOR THE USE OF AN ALTERNATIVE METHOD; PROVIDING FOR LEGISLATIVE DETERMINATIONS OF SPECIAL BENEFIT; PROVIDING FOR ADOPTION OF FIRE SERVICES ASSESSMENT RATE RESOLUTION; PROVIDING COLLECTION METHOD AND LIENS; PROVIDING FOR CORRECTION OF ERRORS AND OMISSIONS; AUTHORIZING EXEMPTIONS AND HARDSHIP ASSISTANCE; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE

WHEREAS, Pursuant to Article VIII, section 2(b), Florida Constitution, and sections 166.021 and 166.041, Florida Statutes, the city council has all powers of local self government to perform municipal functions and to render municipal services in a manner not inconsistent with law, and such power may be exercised by the enactment of city ordinances.

WHEREAS, the City desires to provide procedures and standards for the imposition of citywide fire services assessments under the general home rule powers of a municipality to impose special assessments;

WHEREAS, the City authorizes a procedure for the funding of fire protection services, facilities, or programs that provide special benefits to property within the city; and

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TAVARES,

FLORIDA:

Section 1. Recitals.

The foregoing recitals are true and correct and incorporated herein by reference.

Section 2. Definitions.

As used in this Ordinance, the following words and terms shall have the following meanings, unless the context clearly otherwise requires:

Assessed property means all parcels of land subject to the fire assessment that receive a special benefit from the delivery of the fire services, programs or facilities.

Building means any structure, whether temporary or permanent, built for support, shelter or enclosure of persons, chattel, or property of any kind, including mobile homes. This term shall include the use of land in which lot or spaces are offered for use, rent or lease for the placement of mobile homes, travel trailers, or the like for residential purposes.

City manager means the chief administrative officer of the city, designated by the city council to be responsible for coordinating fire assessments, or such person's designee.

Fire services assessment means a special assessment lawfully imposed by the city council against assessed property to fund all or any portion of the cost of the provision of fire services, facilities, or programs providing a special benefit to property as a consequence of possessing a logical relationship to the value, use, or characteristics of the assessed property.

Fire services assessment rate resolution means the resolution establishing the rate at which a fire services assessment will be computed.

Fire services cost means the amount determined by the city council to be charged over a designated time period to fund all or any portion of the cost (as determined by generally accepted accounting practices) of the provision of fire services, facilities, or programs which provide a special benefit to assessed property, and shall include, but not be limited to, the following components:

- (1) The cost of physical construction, reconstruction or completion of any required facility or improvement;
- (2) The costs incurred in any required acquisition or purchase;
- (3) The cost of all labor, materials, machinery, and equipment;
- (4) The cost of fuel, parts, supplies, maintenance, repairs, and utilities;
- (5) The cost of computer services, data processing, and communications;
- (6) The cost of all lands and interest therein, leases, property rights, easements, and franchises of any nature whatsoever;
- (7) The cost of any indemnity or surety bonds and premiums for insurance;
- (8) The cost of salaries, volunteer pay, workers' compensation insurance, or other employment benefits;
- (9) The cost of uniforms, training, travel, and per diem;

- (10) The cost of construction plans and specifications, surveys and estimates of costs;
- (11) The cost of engineering, financial, legal, and other professional services;
- (12) The costs of compliance with any contracts or agreements entered into by the city to provide fire services;
- (13) All costs associated with the structure, implementation, collection, and enforcement of the fire services assessments and amounts necessary to offset discounts received for early payment of fire services assessments;
- (14) All other costs and expenses necessary or incidental to the acquisition, provision, or construction of fire services, facilities, or programs, and such other expenses as may be necessary or incidental to any related financing authorized by the city council by subsequent resolution;
- (15) A reasonable amount for contingency and anticipated delinquencies and uncollectible fire services assessments;
- (16) A portion of the costs and expenses associated with dispatch for fire related calls; and
- (17) Reimbursement to the city or any other person for any moneys advanced for any costs incurred by the city of such person in connection with any of the foregoing components of fire services cost. In the event the city also imposes an impact fee upon new growth or development for fire protection related capital improvements, the fire protection assessed cost shall not include costs attributable to capital improvements necessitated by new growth or development that will be paid by such impact fees. The fire protection assessed cost shall also not include costs for the provision of emergency medical services by the city.

Fire services cost for assessed property means the subset of fire services cost fairly and reasonably attributable to property.

Government property means property owned by the United States of America or any agency thereof, a sovereign state or nation, the state or any agency thereof, a county, a special district or a municipal corporation.

Owner means the person reflected as the owner of property on the tax roll or utility bill.

Property Appraiser means the property appraiser of the county.

Tax collector means the tax collector of the county.

Tax roll means the real property ad valorem tax assessment roll maintained by the property appraiser for the purpose of the levy and collection of ad valorem taxes.

Uniform Assessment Collection Act means F.S. §§ 197.3632 and 197.3635 or any successor statutes authorizing the collection of non-ad valorem assessments on the same bill as ad valorem taxes, and any applicable regulations promulgated thereunder.

Utility means that utility owned and operated by the city, providing electricity, water and wastewater services, solid waste services, natural gas, and stormwater services, or any combination of the foregoing, and billing customers on a monthly or periodic basis.

Utility customer of record means the person or entity assuming responsibility for the payment for services of the utility.

Section 3. Applicability.

This ordinance and the city council's authority to impose assessments pursuant to this ordinance shall be applicable throughout the incorporated areas of the city, as may be amended from time to time.

Section 4. Alternative method.

- (a) This ordinance shall be deemed to provide an additional and alternative method for the doing of the things authorized hereby and shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of any powers now existing or which may thereafter come into existence. This ordinance, being necessary for the welfare of the inhabitants of the city, shall be liberally construed to effect the purposes hereof.
- (b) Nothing in this ordinance shall preclude the city council from directing and authorizing, by resolution the combination with each other of:
 - (1) Any supplemental or additional notice deemed proper, necessary, or convenient by the city;
 - (2) Any notice required by this ordinance; or
 - (3) Any notice required by law, including the Uniform Assessment Collection Act.
- (c) Any actions of the city council required to be taken by resolution pursuant to this ordinance may be combined into a single resolution and a separate resolution for each action shall not be required.

Section 5. Legislative determinations of special benefit.

It is hereby ascertained and declared that the fire services, facilities, and programs provide a special benefit to property based upon the following legislative determinations:

- (1) Fire services possess a logical relationship to the use and enjoyment of improved property by:
 - a. Protecting the value of the improvements and structures through the provision of available fire services;
 - b. Protecting the life and safety of intended occupants in the use and enjoyment of improvements and structures within improved parcels;
 - c. Lowering the cost of fire insurance by the presence of a professional and comprehensive fire services program within the city; and
 - d. Containing the spread of fire incidents occurring on vacant property with the potential to spread and endanger the structures and occupants of improved property.
- (2) The fire services of the city under its existing fire services program enhances and strengthens the relationship of such services to the use and enjoyment of buildings within improved parcels of property within the areas served by the city.
- (3) Within the areas served by the city, the fire services of the city under its existing fire services program enhance the value of business and commercial property that is improved by the existence or construction of a building, which enhanced value can be anticipated to be reflected in the rental charge or value of such business or commercial property.

Section 6. Fire Services Assessment Rate Resolution.

The city council is hereby authorized to impose a fire services assessment to fund all or any portion of the fire services cost for assessed property upon benefited property at a rate of assessment based on the special benefit accruing to such property from the city's provision of fire services, facilities, or programs. All fire services assessments shall be imposed in a subsequently adopted fire services assessment rate resolution. Such fire services assessment rate resolution shall determine the amount of the fire services assessment against assessed property pursuant to an apportionment

methodology based upon a classification of property designed to provide a fair and reasonable apportionment of the fire services cost for assessed property among properties on a basis reasonably related to the special benefit provided by fire services, facilities, or programs funded with assessment proceeds. On an annual basis, the city council shall determine whether to impose the fire services assessment for the upcoming year.

Section 7. Collection.

(a) The city council is hereby authorized to collect fire services assessments on the utility bill in accordance with the following:

- (1) The fire services assessment may be billed to and collected on a monthly basis along with the city's utility in the regular utility billing cycle, appearing as a separate line item.
- (2) The utility customer of record and the owner of such property subject to a fire services assessment are responsible for payment of the fire services assessment as the assessment for which the property receives a special benefit from the provision of fire services, facilities and programs by the city.
- (3) Bills for the fire services assessment shall be payable at the same time, in the same manner, and subject to the same penalties as have been heretofore established for other utility fees charged and administered by the city. The owner and utility customer of record shall be notified of any deficiency in the payment of the fire services assessment in the same manner as other delinquent utility bills. The failure to pay such a fire services assessment shall subject the property to the discontinuance of other utility services and all other penalties and charges available under law relative to the discontinuance of such utility services. In the event the owner and utility customer of record submit a partial payment, the payment shall first be applied to the fire assessment and the remainder to any outstanding utility service charges. The administrative appeal and hearing procedure applicable to the discontinuance of other utility services in the city shall be applicable to the discontinuance of such services for any delinquencies resulting under this ordinance.
- (4) Notwithstanding the provisions of this section, the city may make alternative collection arrangements with property owners or tenants or both for the payment of the fire services assessment.

(b) Alternative method of collection of fire assessments. In lieu of utilizing the utility bill, the city council may elect to collect fire services assessments by the Uniform

Assessment Collection Act (after following all necessary statutory requirements) or any other method which is authorized by law or under the alternative collection method provided by this section.

- (1) The city may provide fire assessment bills by first class mail to the owner of each affected parcel of property. The bill or accompanying explanatory material shall include:
 - a. A brief explanation of the fire assessment;
 - b. A description of the unit of measurement used to determine the amount of the fire assessment;
 - c. The number of units contained within the parcel;
 - d. The total amount of the fire services assessment imposed against the parcel for the appropriate period;
 - e. The location at which payment will be accepted;
 - f. The date on which the fire services assessment is due; and
 - g. A statement that the fire services assessment constitutes a lien against assessed property equal in rank and dignity with the liens of all state, county, district or municipal taxes and other non-ad valorem assessments.
- (2) A general notice of the lien resulting from imposition of the fire services assessments shall be recorded in the official records of the county. Nothing in this ordinance shall be construed to require that individual liens or releases be filed in the official records.
- (3) The city shall have the right to collect all delinquent fire services assessments in the manner provided for the delinquent utility bills or in any manner provided by law for the foreclosure of mortgages on real property or appoint or retain an agent to institute such foreclosure and collection proceedings.
- (4) A fire services assessment shall become delinquent if it is not paid within 60 days from the date any installment is due. The city or its agent shall notify any property owner who is delinquent in payment of his fire services assessment within 90 days from the date such assessment was due. Such notice shall state in effect the city or its agent will either:

- a. Initiate a foreclosure action or suit in equity and cause the foreclosure of such property subject to a delinquent fire services assessment in a method now or hereafter provided by law for foreclosure of mortgages on real property; or
 - b. Cause an amount equivalent to the delinquent fire services assessment, not previously subject to collection using the uniform method under the Uniform Assessment Collection Act, to be collected on the tax bill for a subsequent year (after following all statutory requirements for using said method).
- (5) All costs, fees and expenses, including reasonable attorney fees and title search expenses, related to any foreclosure action as described in this ordinance shall be included in any judgment or decree rendered therein. At the sale pursuant to decree in any such action, the city may be the purchaser to the same extent as any person. The city or its agent may join in one foreclosure action for the collection of fire services assessments against any or all property assessed in accordance with the provisions of this ordinance. All delinquent owners whose property is foreclosed shall be liable for an apportioned amount of reasonable costs and expenses incurred by the city and its agents, including reasonable attorney fees, in collection of such delinquent fire services assessments and any other costs incurred by the city as a result of such delinquent fire services assessments and the costs shall be collectible as a part of or in addition to, the costs of the action.
- (6) In lieu of foreclosure, any delinquent fire services assessment and the costs, fees and expenses attributable thereto, may be collected pursuant to the Uniform Assessment Collection Act; provided however, that (i) notice is provided to the owner in the manner required by the Uniform Assessment Collection Act (after all statutory requirements have been met to implement the Uniform Method) and this ordinance, and (ii) any existing lien of record on the affected parcel for the delinquent fire services assessment is supplanted by the lien resulting from certification of the assessment roll, as applicable, to the tax collector.
- (7) Notwithstanding the city use of an alternative method of collection, the city manager shall have the same power and authority to correct errors and omissions as provided to him/her or other city officials herein.
- (8) Any city council action required in the collection of fire services assessments may be by resolution.

Section 8. Correction of errors and omissions.

(a) No act of error or omission on the part of the city manager, city council, or their deputies or employees, shall operate to release or discharge any obligation for payment of a fire services assessment imposed by the city council under the provision of this ordinance.

(b) When it shall appear that any fire services assessment should have been imposed under this ordinance against property specially benefited by the provision of fire services, facilities, or programs, but that such property was omitted from the bill, the city may impose the applicable fire services assessment against the property for which such error is discovered, in addition to the applicable fire services assessment due for the prior 24 months. Such delinquent fire services assessment may be collected as provided for the collection of other charges on the utility bill, or may be collected as provided in the Uniform Assessment Collection Act (provided all statutory requirements are met beforehand), or may be collected as a lien against assessed property equal in rank and dignity with the liens of all state, county, district, or municipal taxes and special assessments, and superior in rank and dignity to all other prior liens, mortgages, titles, and claims in and to or against the real property involved, and shall be deemed perfected on the date of adoption of the resolution imposing the omitted or delinquent assessments.

Section 9. Authorization for exemptions and hardship assistance.

(a) The city council, in its sole discretion, shall determine on an annual basis whether to provide exemptions from payment of the fire services assessment for government property or institutional property whose use is exempt from ad valorem taxation under Florida law.

(b) The city council, in its sole discretion, shall determine on an annual basis whether to provide a program of hardship assistance to city residents who are living below or close to the poverty level and are at risk of losing title to their homes as a result of the imposition of the fire services assessments.

(c) On an annual basis, the city council shall designate the funds available to provide any exemptions or hardship assistance. The provision of an exemption or hardship assistance in any one year shall in no way establish a right or entitlement to such exemption or assistance in any subsequent year and the provision of funds in any year may be limited to the extent funds are available and appropriated by the city council. Any funds designated for exemptions or hardship assistance shall be paid by the city from funds other than those generated by the fire services assessment.

(d) Any shortfall in the expected fire services assessment proceeds due to any hardship assistance or exemption from payment of the fire services assessments required by law or authorized by the city council shall be supplemented by any legally available funds, or combination of such funds, and shall not be paid for by proceeds or

funds derived from the fire services assessments. In the event a court of competent jurisdiction determines any exemption or reduction by the city council is improper or otherwise adversely affects the validity of the fire services assessment imposed for any fiscal year, the sole and exclusive remedy shall be the imposition of a fire services assessment upon each affected tax parcel in the amount of the fire services assessment that would have been otherwise imposed save for such reduction or exemption afforded to such tax parcel by the city council.

Section 10. Severability.

The provisions of this article are severable; and if any section, subsection, sentence, clause or provision is held invalid by any court of competent jurisdiction, the remaining provisions of this article shall not be affected thereby.

This Ordinance shall take effect immediately upon adoption.

PASSED AND ADOPTED this _____ day of, _____ 2012, by the City Council of the City of Tavares, Florida.

ATTEST:

CITY OF TAVARES, FLORIDA

Nancy Barnett, City Clerk

Robert Wolfe, Mayor
Tavares City Council

Approved as to form and legality:

Robert Q. Williams, City Attorney

First Reading: _____

Passed Second Reading: _____

**AGENDA SUMMARY
TAVARES CITY COUNCIL
DATE OF MEETING: June 6, 2012**

AGENDA TAB NO: 6

SUBJECT TITLE: Approve Resolution No. 2012-06 authorizing issuance of General Obligation Note, Series 2012 for Wooton Park Seaplane Base Expansion with BB&T Bank.

OBJECTIVE:

To seek Council's adoption of Resolution No. 2012-06 authorizing General Obligation Note, Series 2012 for voter approved Wooton Park Seaplane Base and Marina Expansion, and authorize staff to execute financing documents with BB&T Bank.

SUMMARY:

On March 21, 2012, the City Council requested staff to issue Request for Proposals from financial institutions for financing of voter approved general obligation debt service for expansion of the Wooton Park Seaplane Base and Marina.

On April 15, 2012, RFP No. 2012-0020 was issued for General Obligation Note, Series 2012.

On May 3, 2012, bids were received and reviewed by Staff and the City's Financial Advisor Mark Galvin of First Southwest.

On May 16, 2012, bids and tabulated results were presented to the City Council. The City Council approved award of RFP 2012-0020 for voter approved general obligation financing for expansion of the Wooton Park Seaplane Base and Marina to BB&T Bank in the amount of \$3.3M for a term of 20 years with an indicative fixed rate of 3.49%.

Resolution No. 2012-06 has been prepared by the City's Bond Council, Mike Williams of Akerman Senterfitt and authorizes staff to execute financing documents with BB&T Bank for the issuance of City of Tavares General Obligation Note, Series 2012 in the amount of \$3.3M with an indicative fixed rate of 3.49%.

A copy of Resolution 2012-06 and related financing documents are attached for your review.

OPTIONS:

1. Adopt Resolution No. 2012-06 and authorize staff to execute financing documents with BB&T Bank for City of Tavares General Obligation Note, Series 2012 for financing of voter approved Wooton Park Seaplane Base & Marina Expansion at an indicative fixed rate of 3.49% and a term of 20 years.
2. Do not adopt Resolution No. 2012-06, and do not authorize staff to execute financing documents for General Obligation Note, Series 2012.

STAFF RECOMMENDATION:

Move to Adopt Resolution No. 2012-06 and authorize staff to execute financing documents with BB&T Bank for City of Tavares General Obligation Note, Series 2012 for financing of voter approved Wooton Park Seaplane Base & Marina Expansion at an indicative fixed rate of 3.49% and a term of 20 years.

FISCAL IMPACT: Voter approved millage to be assessed for repayment of annual debt service – approximate millage for FY2013 - .3860 mills

LEGAL SUFFICIENCY: Legally Sufficient.

RESOLUTION NO. 2012-06

A RESOLUTION OF THE CITY OF TAVARES, FLORIDA ACCEPTING THE PROPOSAL OF BRANCH BANKING AND TRUST COMPANY TO PURCHASE THE CITY'S NOT TO EXCEED \$3,300,000 GENERAL OBLIGATION NOTE, SERIES 2012 TO ACQUIRE AND CONSTRUCT ANY OR ALL OF THE CAPITAL IMPROVEMENTS APPROVED IN THE CITY BOND REFERENDUM OF MARCH 6, 2012 AND FOR OTHER LEGAL USES; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH SAID BANK TO SECURE THE REPAYMENT OF SAID NOTE; PLEDGING TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH NOTE AD VALOREM TAXES LEVIED WITHOUT LIMIT ON ALL TAXABLE PROPERTY WITHIN THE CITY, ALL AS PROVIDED IN THE LOAN AGREEMENT; AUTHORIZING THE PROPER OFFICIALS OF THE CITY TO DO ANY OTHER ADDITIONAL THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH THE EXECUTION OF THE LOAN AGREEMENT, THE NOTE, AND THE SECURITY THEREFORE; AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS IN CONNECTION WITH SAID LOAN; DESIGNATING THE NOTE AS "BANK QUALIFIED;" PROVIDING FOR SEVERABILITY AND OTHER MATTERS IN REGARD THERETO; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TAVARES, FLORIDA, AS FOLLOWS:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Chapter 166, Florida Statutes, the Florida Constitution, particularly Article VII Section 12(a) thereof and other applicable provisions of law.

SECTION 2. FINDINGS. It is hereby ascertained, determined and declared:

(A) Article VII Section 12(a) of the Florida Constitution provides that municipalities may issue bonds or other certificates of indebtedness payable from ad valorem taxation and maturing more than twelve months after issuance to finance capital improvements authorized by law and only when approved by the qualified electors.

(B) On March 6, 2012 in a bond referendum, a majority of the qualified voters approved the issuance by the City of Tavares, Florida (the "City") of not exceeding \$3.3 million of debt maturing in 20 years or less and secured by ad valorem taxes in an amount sufficient to repay such debt to acquire an addition to Wooten Park, construct waterfront improvements such as public boat ramp, restrooms, parking, and an extension to Tav-Lee Trail (the "Project").

(C) On April 15, 2012, the City issued a request for proposal to qualified financial institutions to provide the terms and conditions under which they would purchase the Note (as hereinafter defined). Based on the present volatility of the market for municipal debt and a review of the proposals received via the competitive request for proposal process, and in consultation with its financial advisor, First Southwest Company, it has been determined it is in the best interest of the City to issue the Note pursuant to the Loan Agreement by negotiated sale, allowing the City to issue the Note at the most advantageous time allowing the City to obtain the best interest rate and other terms for the Note, and accordingly, the City Council of the City hereby finds and determines that it is in the best financial interest of the City that a negotiated sale of the Note to Branch Banking and Trust Company (the "Bank") be authorized.

SECTION 3. AUTHORIZATION OF PROJECT. The City hereby authorizes the issuance of its General Obligation Note, Series 2012 (the "Note") to acquire and construct the Project and for other legal uses.

SECTION 4. ACCEPTANCE OF TERMS AND CONDITIONS WITH BANK. Based on a recommendation from First Southwest Company and in consultation with City staff, the City hereby formally accepts the letter of the Bank dated May 3, 2012 (and updated May 24, 2012) attached hereto to as Exhibit A to provide the City with the loan evidenced by the Note.

SECTION 5. APPROVAL OF FORM OF AND AUTHORIZATION OF LOAN AGREEMENT AND NOTE AND EXECUTION OF LOAN AGREEMENT AND NOTE. The repayment of the loan as evidenced by the Note shall be pursuant to the terms and provisions of the Loan Agreement and the Note which shall also include the payment terms, the medium of payment, the place or places at which principal and interest on the Note shall be payable, and the redemption provisions applicable to the Note. The Note shall be executed by the City as provided in the Note. The City hereby approves the Loan Agreement by and between the City and the Bank in substantially the form attached hereto as Exhibit B (the "Loan Agreement") and authorizes the Mayor or the Vice Mayor of the City (collectively, the "Mayor") and the City Clerk or any deputy or assistant City Clerk of the City (collectively, the "City Clerk") to execute and deliver on behalf of the City the Loan Agreement and the Note in substantially the form attached to the Loan Agreement, each with such changes, insertions and additions as they may approve, their execution thereof being conclusive evidence of such approval.

SECTION 6. PAYMENT OF DEBT SERVICE ON NOTE. As provided in the Loan Agreement, the Note will be a general obligation of the City secured by the full faith and credit and taxing power of the City.

SECTION 7. AUTHORIZATION OF OTHER DOCUMENTS TO EFFECT TRANSACTION. To the extent that other documents including but not limited to certificates, opinions, or other items are needed to effect any of the transactions referenced in this Resolution, the Loan Agreement, the Note, and the security therefore, the Mayor, the City Clerk, and the City's City Administrator, Finance Director, the City Attorney and Bond Counsel are hereby authorized to execute and deliver such documents, certificates, opinions, or other items and to take such other actions as are necessary for the full, punctual, and complete performance of the covenants, agreements, provisions, and other terms as are contained herein and in the documents included herein by reference.

SECTION 8. PAYING AGENT AND REGISTRAR. The City hereby accepts the duties to serve as registrar and paying agent for the Note.

SECTION 9. DESIGNATION OF NOTE AS BANK QUALIFIED. The City designates the Note as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The City does not reasonably anticipate that the City, any subordinate entities of the City, and issuers of debt that issue "on behalf" of the City, will during the calendar year 2012 issue more than \$10,000,000 of "tax-exempt" obligations, exclusive of those obligations described in Section 265(b)(3)(C)(ii) of the Code.

SECTION 10. REPEAL OF INCONSISTENT RESOLUTIONS AND ACTIONS. All Resolutions or actions of the City in conflict herewith are hereby superseded and repealed to the extent of such conflict.

SECTION 11. EFFECT OF PARTIAL INVALIDITY. If any one or more provisions of this Resolution, the Loan Agreement, or the Note shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution, the Note or the Loan Agreement, but this Resolution, the Loan Agreement, and the Note shall be construed and enforced as if such illegal or invalid provision had not been contained therein. The Note shall be issued, the Loan Agreement shall be executed and this Resolution is adopted with the intent that the laws of the State of Florida shall govern their construction.

SECTION 12. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 6th day of June, 2012.

CITY OF TAVARES, FLORIDA

[SEAL]

By: _____
Robert E. Wolfe, Mayor
Tavares City Council

ATTEST:

By _____
Nancy A. Barnett, City Clerk

Approved as to form:

By _____
Robert Q. Williams, City Attorney

EXHIBIT A



BB&T Governmental Finance

200 West Forsyth Street
Jacksonville, FL 32202
(904) 361-5253
Fax (904) 361-5276

May 3, 2012

Mrs. Lori Houghton
Finance Director
City of Tavares, FL

Dear Ms. Houghton,

Branch Banking and Trust Company ("BB&T") is pleased to submit the following summary of terms and conditions for discussion for the financing requested by the City of Tavares ("City") This is not a commitment to lend; however, it is intended to form a basis for discussion of the key terms which BB&T believes could be incorporated into a commitment, subject to the final approval by our BB&T's Executive Credit Committee.

- (1) Project: General Obligation Bond, Series 2012
- (2) Amount To Be Financed: not to exceed \$3,300,000
- (3) Interest Rates, Financing Terms and Corresponding Payments:

<u>Final Maturity</u>	<u>BO Rate</u>
July 1, 2027	2.77%
July 1, 2032	3.49%

Principal payments will be paid annually, commencing July 1, 2013. Interest payments will be paid semi-annually, commencing January 1, 2013 and each July 1 and January 1 thereafter. Interest on the principal balance will accrue based on a 30/360 day count basis. The preliminary amortization schedule contained in the City's RFP would be acceptable to BB&T. Upon being awarded this transaction, BB&T must approve the final amortization schedule.

The interest rate stated above is valid for a closing date not later than 45 days after today. Closing of the financing is contingent upon completing documentation acceptable to BB&T and its counsel.

BB&T's underwriting fee and legal review expenses shall be \$3,500. All applicable costs of counsel for the City and any other costs shall be the City's responsibility and separately payable by the City.

The financing proceeds shall be deposited on behalf of the City into a project fund account with BB&T. Earnings on the project fund shall accrue to the benefit of the City for use on project costs or interest payments.

The financing documents shall include provisions that will outline appropriate changes to be implemented in the event that this transaction is determined to be taxable in accordance with Florida State Statutes or the Internal Revenue Service code.

The stated interest rate assumes that the City expects to borrow less than \$10,000,000 in the calendar year 2012 and that the financing shall comply with the IRS Code Sections 141, 148, 149(e) and 265(b)(3). BB&T reserves the right to terminate its interest in this bid or to negotiate a mutually acceptable rate if the financing is not a qualified tax-exempt financing.

(4) Prepayment Language:

If Option 1 is selected, the Bond will be callable with a 1% prepayment penalty in whole, on a payment date only until July 1, 2019. Beginning January 1, 2020, the Bond may be called without prepayment penalty in whole, on a payment date only, through the remaining term of the Bond. If Option 2 is selected, the Bond will be callable with a 1% prepayment penalty in whole, on a payment date only until January 1, 2022. Beginning July 1, 2023, the Bond may be callable without prepayment penalty in whole, on a payment date only, through the remaining term of the Bond.

(5) Financing Documents:

It shall be the responsibility of the City to retain and compensate counsel to appropriately structure the financing documents according to Florida State statutes. BB&T shall also require the City to provide an unqualified bond counsel opinion. BB&T and its counsel reserve the right to review and approve all documentation before closing.

(6) Security:

The Bond will be secured by a general obligation of the City secured by the full faith, and credit and taxing power of the City.

* * * * *

BB&T appreciates the opportunity to make this financing proposal and requests to be notified within ten days of this proposal should BB&T be the successful proposer. If BB&T is not selected as the loan provider, it requests that either the City or the City's Financial Advisor provide BB&T with the results of all competing bids.

BB&T shall have the right to cancel this offer by notifying the City of its election to do so (whether or not this offer has previously been accepted by the City) if at any time prior to the closing there is a material adverse change in the City's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the City or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T. We reserve the right to negotiate and/or terminate our interest in this transaction should we be the successful proposer.

Please call me at (803) 251-1328 with your questions and comments or contact David Pierce in our Jacksonville, FL office at:

200 W. Forsyth Street
Suite 200
Jacksonville, FL 32202
Phone: 904.361.5253
Fax: 904.361.5276
Email: david.pierce@bbandt.com

We look forward to hearing from you.

Sincerely,

BRANCH BANKING AND TRUST COMPANY



Andrew G. Smith
Senior Vice President

200 West Forsyth Street
Jacksonville, FL 32202
(904) 361-5253
Fax (904) 361-5276

May 24, 2012

Mrs. Lori Houghton
Finance Director
City of Tavares, FL

Dear Ms. Houghton,

This letter supplements our letter of May 3, 2012 revising the final maturity date for the City of Tavares \$3.3MM General Obligation Bond to July 1, 2031. Thank you for the opportunity to meet the City's financing needs.

Sincerely,

BRANCH BANKING AND TRUST COMPANY



David W. Pierce
Banking Officer

EXHIBIT B

LOAN AGREEMENT

Dated as of June ___, 2012

By and Between

**THE CITY OF TAVARES, FLORIDA
(the "City")**

and

**BRANCH BANKING AND TRUST COMPANY
(the "Bank")**

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LOAN AGREEMENT

THIS LOAN AGREEMENT (the "Agreement"), made and entered into this ____ day of June, 2012, by and between **THE CITY OF TAVARES, FLORIDA** (the "City"), a municipal corporation of the State of Florida, and **BRANCH BANKING AND TRUST COMPANY**, a North Carolina banking corporation authorized to do business in Florida, and its successors and assigns (the "Bank").

WITNESSETH:

WHEREAS, capitalized terms used in these recitals and not otherwise defined shall have the meanings specified in Article I of this Agreement;

WHEREAS, the City, pursuant to the provisions of the Florida Constitution, particularly Article VII, Section 12(a) thereof, Chapter 166, Florida Statutes, and other applicable provisions of law (all of the foregoing, collectively, the "Act"), and Resolution No. _____, adopted by the City on June 6, 2012, is authorized to borrow money, and more particularly issue the Note described below for the City's public purposes; and

WHEREAS, in response to a request for proposal regarding an intended borrowing by the City of not exceeding \$3.3 million of its general obligation debt to finance some or all of the project approved by a majority of the qualified electors voting in the City bond referendum of March 6, 2012 (the "Project"), the Bank submitted its terms and conditions letter, dated May 3, 2012, as revised, to the City; and

WHEREAS, pursuant to City Resolution No. _____, the City has accepted the Bank's proposal and the Bank is willing to purchase the Note (as hereinafter defined), but only upon the terms and conditions of this Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITION OF TERMS

Section 1.01 Definitions. Capitalized terms used in this Agreement and not otherwise defined shall have the respective meanings as follows unless the context clearly requires otherwise:

"Act" shall have the meaning assigned to that term in the recitals hereof.

"Ad Valorem Taxes" shall mean the direct annual tax levied on all taxable property within the City as provided in Section 4.03 hereof.

"Agreement" shall mean this Loan Agreement and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

"Bank" shall mean Branch Banking and Trust Company, a North Carolina state banking corporation, and its successors and assigns.

"Bond Counsel" shall mean, Akerman Senterfitt, or any other attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions hired by the City to render an opinion on such matters with regard to the Note.

"Business Day" shall mean any day other than a Saturday, a Sunday, or a day on which the office of the Holder at which payments on the Note are due or the offices of the City are lawfully closed.

"City" shall mean the City of Tavares, Florida, a municipal corporation of the State of Florida.

"City Clerk" shall mean the City Clerk or any deputy or assistant city clerk of the City and such other person as may be duly authorized to act on his or her behalf.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable rules and regulations promulgated thereunder.

"Debt Service" means principal and interest, and other debt-related costs, due in connection with the Note, as applicable.

"Default Rate" shall mean the Note Rate plus two percent (2.0%) provided such rate shall not exceed the highest rate of interest allowed by applicable law.

"Determination of Taxability" shall mean, with respect to the Note, any determination, decision or decree by the Commissioner or any District Director of the Internal Revenue Service, as such officers are identified by the Code, or any court of competent jurisdiction, after the conclusion of any appeals the City may decide to undertake, that the interest payable under the Note is includable in the gross income (as defined in Section 61 of the Code) of the Holder.

"Event of Default" shall mean an Event of Default as defined in Section 5.01 of this Agreement.

"Fiscal Year" shall mean the 12-month period commencing October 1 of each year and ending on the succeeding September 30, or such other 12-month period as the City may designate as its "fiscal year" as permitted by law.

"Loan" shall refer to an amount equal to the outstanding principal of the Note, together with unpaid interest and penalties, if any, which have accrued.

"Maturity Date" shall mean the date on which all principal and all unpaid interest accrued on the Note shall be due and payable in full, which date shall be, if not sooner due to prepayment, February 1, 2028.

"Note" shall mean the City of Tavares, Florida General Obligation Note, Series 2012 issued by the City under the Agreement and the Resolution.

"Note Rate" shall mean the rate of interest to be borne by the Note which shall be a fixed rate equal to 3.49% per annum calculated on the basis of a 360-day year of 12, 30-day months.

"Noteholder" or "Holder" shall mean the Bank as the holder of the Note and any subsequent registered holder of the Note.

"Payment Date" shall mean each January 1 and July 1, commencing January 1, 2013 until the Note has been paid in full.

"Pledged Revenues" means the proceeds of the Ad Valorem Taxes levied by the City pursuant to the authorization of the bond referendum election held on March 6, 2012 on all taxable property within the City.

"Resolution" shall mean Resolution No. _____, adopted at a meeting of the City Commission on June 6, 2012, which, among other things, authorized the execution and delivery of this Agreement and the issuance of the Note.

Section 1.02 Interpretation. Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

Section 1.03 Titles and Headings. The titles and headings of the Articles and Sections of this Agreement, which have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE PARTIES

Section 2.01 Representations and Warranties of City. The City represents and warrants to the Bank as follows:

(a) Existence. The City is a municipal corporation of the State of Florida, duly created and validly existing under the laws of the State of Florida, with full power to enter into this Agreement, to perform its obligations hereunder and to issue and deliver the Note to the Bank. The making, execution and performance of this Agreement on the part of the City and the issuance and delivery of the Note has been duly authorized by all necessary action on the part of the City and will not violate or conflict with the Act, or any agreement, indenture or other instrument by which the City or any of its material properties is bound.

(b) Validity, Etc. This Agreement, the Note and the Resolution are valid and binding obligations of the City enforceable against the City in accordance with their respective terms, except to the extent that enforceability may be subject to valid bankruptcy, insolvency, financial emergency, reorganization, moratorium or similar laws relating to or from time to time affecting the enforcement of creditors' rights and except to the extent that the availability of certain remedies may be precluded by general principles of equity.

(c) No Financial Material Adverse Change. No material adverse change in the financial condition of the City has occurred since the audited financial statements of the City for its year ended September 30, 2011.

(d) Powers of City. The City has the legal power and authority to pledge the Pledged Revenues to the repayment of the Note as described herein.

(e) Authorizations, etc. No authorization, consent, approval, license, exemption or registration or filing with any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, has been or will be necessary for the valid execution, delivery and performance by the City of this Agreement, the Note and the related documents, except such as have been obtained, given or accomplished.

Section 2.02 Covenants of the City. The City covenants as follows:

The City will furnish to the Bank (i) within 210 days following the end of each Fiscal Year, a comprehensive annual financial report of the City for such Fiscal Year prepared in accordance with generally accepted accounting standards, which shall include a balance sheet and income statement as of the end of such Fiscal Year, and an audit report of an independent certified public accountant, (ii) within 30 days of adoption in each year the current annual budget of the City, and (iii) any other information which the Bank may reasonably request.

Section 2.03 Representations and Warranties of Bank. The Bank represents and warrants to the City as follows:

(a) Existence. The Bank is a North Carolina state banking corporation, authorized to do business in the State of Florida, with full power to enter into this Agreement, to perform its obligations hereunder and to make the Loan. The performance of this Agreement on the part of the Bank and the making of the Loan have been duly authorized by all necessary action on the part of the Bank and will not violate or conflict with applicable law or any material agreement, indenture or other instrument by which the Bank or any of its material properties is bound.

(b) Validity. This Agreement is a valid and binding obligation of the Bank enforceable against the Bank in accordance with its terms, except to the extent that enforceability may be subject to valid bankruptcy, insolvency, financial emergency, reorganization, moratorium or similar laws relating to or from time to time affecting the enforcement of creditors' rights (and specifically creditors' rights as the same relate to banks) and except to the extent that the availability of certain remedies may be precluded by general principles of equity.

(c) Knowledge and Experience. The Bank (i) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of making the

Loan and investing in the Note, (ii) has received and reviewed such financial information concerning the Pledged Revenues as it has needed in order to fairly evaluate the merits and risks of making the Loan and investing in the Note; and (iii) is purchasing the Note as an investment for its own account and not with a current view toward resale to the public.

ARTICLE III

THE NOTE

Section 3.01 Purpose and Use. On the date of this Agreement, the Bank shall make available to the City the Loan in the principal amount of Three Million Three Hundred Thousand Dollars (\$3,300,000). The Loan will be evidenced by the Note. Proceeds of the Note shall be used solely to acquire and construct the Project and to pay costs of issuing the Note.

Section 3.02 The Note. The Note shall be substantially in the form set forth as **Exhibit A** to this Agreement. The general terms of the Note shall be as follows:

(a) Amount of Note. The aggregate principal amount of the Note shall be Three Million Three Hundred Thousand Dollars (\$3,300,000).

(b) Interest. The Note shall bear interest at the Note Rate payable on each Payment Date. The Note Rate shall be subject to adjustment as provided in Section 3.03 hereof. The Noteholder shall promptly notify the City in writing of any adjustments in the Note Rate. Notwithstanding any provision hereof the contrary, in no event shall the interest rate on the Note exceed the maximum rate permitted by law. Interest on the Note shall be computed on the basis of 12, 30-day months and a 360-day year.

(c) Prepayments and Principal Payments. The Note shall be subject to prepayment at the option of the City, as provided in the Note. Any prepayment shall be made on such Payment Date as shall be specified by the City in a written notice delivered to the Noteholder not less than five (5) days prior to the specified prepayment date. Any prepayment shall be applied first to accrued interest, then to other amounts owed the Holder, and finally to principal as directed by the City.

Principal on the Note is payable on each July 1 commencing July 1, 2013 as set forth in the Note.

Section 3.03 Adjustments to Note Rate. The Note Rate shall be subject to adjustment by the Bank as hereinafter described.

In the event of a Determination of Taxability, the Note Rate shall be adjusted to cause the yield on such Note to equal what the yield on that Note would have been absent such Determination of Taxability (the "Taxable Rate") effective retroactively to the date on which such Determination of Taxability was made. Immediately upon a Determination of Taxability, the City agrees to pay to the Noteholder subject to such Determination of Taxability the Additional Amount (as defined herein). "Additional Amount" means (i) the difference between (a) interest on such Note for the period commencing on the date on which the interest on such Note (or portion thereof) loses its "tax-exempt" status and ending on the earlier of the date such

Note ceased to be outstanding or such adjustment is no longer applicable to such Note (the "Taxable Period") at a rate equal to the Taxable Rate and (b) the aggregate amount of interest payable on such Note for the Taxable Period under the provisions of such Note without considering the Determination of Taxability, plus (ii) any penalties and interest paid or payable by such Noteholder to the Internal Revenue Service by reason of such Determination of Taxability.

If the Note ceases to be a "qualified tax-exempt obligation" then the Note Rate shall be adjusted to cause the yield on the Note to equal what the yield on the Note would have been in the absence of such change.

The Noteholder shall promptly notify the City in writing of any adjustments pursuant hereto. Such adjustments shall become effective as of the effective date of the event causing such adjustment. Adjustments to the Note Rate as described above may be retroactive. The Noteholder shall certify to the City in writing the additional amount, if any, due to the Noteholder as a result of an adjustment pursuant hereto. Notwithstanding any provision hereto the contrary, in no event shall the interest rate on the Note exceed the maximum rate permitted by law.

Section 3.04 Conditions Precedent to Issuance of Note. Prior to or simultaneously with the delivery of the Note, there shall be filed with the Bank the following, each in form and substance reasonably acceptable to the Bank:

(a) an opinion of legal counsel to the City substantially to the effect that (i) the Resolution has been duly adopted and this Agreement and the Note have been duly authorized, executed and delivered by the City and each constitutes a valid, binding and enforceable agreement of the City in accordance with their respective terms, except to the extent that the enforceability of the rights and remedies set forth therein may be limited by bankruptcy, insolvency, financial emergency or other laws affecting creditors' rights generally or by usual equity principles; (ii) the City's execution, delivery and performance of this Agreement and execution and issuance of the Note are not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not heretofore obtained or effected; (iii) the execution, issuance and delivery of the Note has been duly and validly authorized by the City, and the Note constitutes a valid and binding special obligation of the City enforceable in accordance with its terms; (iv) the City (A) is a municipal corporation duly organized and validly existing under the laws of the State of Florida, and (B) has power and authority to adopt the Resolution, to execute and deliver this Agreement, to execute and deliver the Note, and to consummate the transactions contemplated by such instruments; (v) the execution, delivery and performance of the Note, this Agreement, and compliance with the terms thereof and hereof, under the circumstances contemplated hereby, do not and will not in any material respect conflict with, or constitute on the part of the City a breach or default under, any indenture, mortgage, deed of trust, agreement or other instrument to which the City or to which its properties are subject or conflict with, violate or result in a breach of any existing law, administrative rule or regulation, judgment, court order or consent decree to which the City or its properties are subject; (vi) to the best of such counsel's knowledge, there is no claim, action, suit, proceeding, inquiry, investigation, litigation or other proceeding, at law or in equity, pending or threatened in any court or other tribunal, state or federal (W) restraining or enjoining, or seeking

to restrain or enjoin, the issuance, sale, execution or delivery of the Note, (X) in any way questioning or affecting the validity or enforceability of any provision of this Agreement, the Note, or the Resolution, (Y) in any way questioning or affecting the validity of any of the proceedings or authority for the authorization, sale, execution or delivery of the Note, or of any provision made or authorized for the payment thereof, or (Z) questioning or affecting the organization or existence of the City or the right of any of its officers to their respective offices; (vii) the City has the legal authority to acquire and construct the Project, to grant a lien on the Pledged Revenues as described herein and in the Resolution; (viii) all conditions contained in the ordinances and resolutions of the City precedent to the issuance of the Note have been complied with; and (ix) all proceedings undertaken by the City with respect to the Pledged Revenues have been in accordance with applicable Florida law, and the City has taken all action necessary to impose the Pledged Revenues.

(b) an opinion of Bond Counsel (who may rely on opinion of legal counsel to the City), substantially to such effect that such counsel is of the opinion that: (i) this Loan Agreement constitutes a valid and binding obligation of the City enforceable upon the City in accordance with its terms; (ii) the Note is a valid and binding special obligation of the City enforceable in accordance with their terms, payable solely from the sources provided therefor in this Loan Agreement; (iii) assuming compliance by the City with certain covenants relating to requirements contained in the Code interest on the Note is excluded from gross income for purposes of federal income taxation; and (iv) the Note is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code;

(c) a copy of a completed and executed Form 8038-G to be filed with the Internal Revenue Service by the City;

(d) the original executed Note and Agreement; and

(e) such other documents as the Bank reasonably may request.

When the documents and items mentioned in clauses (a) through (e), inclusive, of this Section shall have been filed with the Bank, and when the Note shall have been executed as required by this Agreement, the City shall deliver the Note to or upon the order of the Bank upon receipt of the purchase price therefor.

Section 3.05 Registration of Transfer; Assignment of Rights of Bank. The City shall keep at the office of the City Clerk in the City's records the registration of the Note and the registration of transfers of the Note as provided in this Agreement. The transfer of the Note may be registered only upon the books kept for the registration of the Note and registration of transfer thereof upon surrender thereof to the City together with an assignment duly executed by the Noteholder or its attorney or legal representative in the form of the assignment set forth on the form of the Note attached as **Exhibit A** to this Agreement; provided, however, that such Note may be transferred only in whole and not in part. In the case of any such registration of transfer, the City shall execute and deliver in exchange for the Note a new Note registered in the name of the transferee. In all cases in which a Note shall be transferred hereunder, the City shall execute and deliver at the earliest practicable time a new Note in accordance with the provisions of this Agreement. The City may make a charge for every such registration of transfer of a Note

sufficient to reimburse it for any tax or other governmental charges required to be paid with respect to such registration of transfer, but no other charge shall be made for registering the transfer hereinabove granted. The Note shall be issued in fully registered form and shall be payable in any lawful coin or currency of the United States.

The registration of transfer of a Note on the registration books of the City shall be deemed to effect a transfer of the rights and obligations of the Bank under this Agreement to the transferee. Thereafter, such transferee shall be deemed to be the Bank under this Agreement and shall be bound by all provisions of this Agreement that are binding upon the Bank. The City and the transferor shall execute and record such instruments and take such other actions as the City and such transferee may reasonably request in order to confirm that such transferee has succeeded to the capacity of Bank under this Agreement and the Note.

The Holder of a Note is hereby granted power to transfer absolute title thereof by assignment thereof to a bona fide purchaser for value (present or antecedent) without notice of prior defenses or equities or claims of ownership enforceable against such owner's assignor or any person in the chain of title and before the maturity of the Note; provided, however, that no transfer shall be permitted absent the City's receipt of a certificate in form and substance similar to the one included as part of **Exhibit A** hereto from such proposed transferee. Every prior Holder of a Note shall be deemed to have waived and renounced all of such owner's equities or rights therein in favor of every such bona fide purchaser, and every such bona fide purchaser shall acquire absolute title thereto and to all rights represented thereby.

In the event any Note is mutilated, lost, stolen, or destroyed, the City shall execute a new Note of like date and denomination as that mutilated, lost, stolen or destroyed, provided that, in the case of any mutilated Note, such mutilated Note shall first be surrendered to the City, and in the case of any lost, stolen, or destroyed Note, there first shall be furnished to the City evidence of such loss, theft or destruction together with an indemnity satisfactory to it.

Section 3.06 Ownership of the Note. The person in whose name a Note is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of a Note shall be made only to the Holder thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note, and interest thereon, to the extent of the sum or sums so paid.

Section 3.07 Use of Proceeds of Note Permitted Under Applicable Law. The City represents, warrants and covenants that the proceeds of the Note will be used as provided in Section 3.01 hereof, and that such use is permitted by applicable law.

Section 3.08 Authentication. Until a Note shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit A, duly executed by the manual signature of the registrar as authenticating agent, it shall not be entitled to any benefit or security under this Loan Agreement. A Note shall not be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the registrar, and such certificate of the registrar upon a Note shall be conclusive evidence that such Note has been duly authenticated and delivered under this Loan Agreement.

ARTICLE IV

COVENANTS OF THE CITY

Section 4.01 Performance of Covenants. The City covenants that it will perform faithfully at all times its covenants, undertakings and agreements contained in this Agreement and the Note and in any proceedings of the City relating to the Loan.

Section 4.02 Payment of Note.

(a) The City does hereby irrevocably pledge the Pledged Revenues as security for the repayment of the Note. Upon receipt, the City shall deposit the Pledged Revenues into a separate fund to be held in trust to make the payments provided for herein.

(b) The Note is a general obligation of the City and the full faith and credit of the City is pledged to the payment of the principal of or interest on the Note.

Section 4.03 Levy of Ad Valorem Taxes. In each year while the Note is outstanding, the City hereby agrees to levy a tax on all taxable property within the City, to pay all amounts on the Note as the same shall become due, after deducting therefrom any other funds which may be available for such payments and which shall actually be so applied.

The Ad Valorem Tax assessed, levied and collected for the security and payment of the Note shall be assessed, levied and collected in the same manner and at the same time as other ad valorem taxes of the City are assessed, levied and collected and the proceeds of the Ad Valorem Taxes shall be applied first to the payment of the principal of and interest on the Note and shall not otherwise be applied except in accordance with applicable law.

The City will diligently enforce its right to receive the Pledged Revenues as herein provided and will diligently enforce and collect the Ad Valorem Taxes. The City will not take any action that will impair or adversely affect its rights to levy, collect and receive the Ad Valorem Taxes, or impair or adversely affect in any manner the pledge made herein or the rights of the Noteholder.

Section 4.04 Tax Covenant. The City covenants to the Noteholder that the City will not make any use of the proceeds of the Note at any time during the term of such Note which, if such use had been reasonably expected on the date the Note was issued, would have caused such Note to be an "arbitrage bond" within the meaning of the Code. The City will do all acts including complying with the requirements of the Code and any valid and applicable rules and regulations promulgated thereunder necessary to insure the exclusion of interest on the Note from the gross income of the Holders thereof for purposes of federal income taxation.

Section 4.05 Other Obligations Payable From Pledged Revenues. The City will not issue or incur any obligations payable from the Pledged Revenues nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge upon such Pledged Revenues except for fees, commissions, costs, and other charges payable to the property appraiser or to the tax collector pursuant to Florida law which may be a charge against the Pledged Revenues.

Section 4.06 Compliance with Laws and Regulations. The City shall maintain compliance with all federal, state and local laws and regulations applicable to the construction and acquisition of the Project and the Loan.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

Section 5.01 Defaults; Events of Default and Remedies. Except as provided below, if any of the following events occur it is hereby defined as and declared to be and to constitute an "Event of Default":

- (a) Default in the due and punctual payment of any interest on the Note;
- (b) Default in the due and punctual payment of the principal of and premium, if any, on the Note, at the stated maturity thereof, or upon proceedings for redemption thereof;
- (c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the City contained herein or in the Note and the continuance thereof for a period of thirty (30) days after written notice to the City given by the Holder (provided, however, that with respect to any obligation, covenant, agreement or condition which requires performance by a date certain, if the City performs such obligation, covenant, agreement or condition within thirty (30) days of written notice as provided above, the default shall be deemed to be cured);
- (d) Failure by the City promptly to remove any execution or attachment of such consequence as will materially impair its ability to carry out its obligations hereunder; or
- (e) Any act of bankruptcy or the rearrangement, adjustment or readjustment of the obligations of the City under the provisions of any bankruptcy or moratorium laws or similar laws relating to or affecting creditors' rights.

The term "default" shall mean default by the Issuer in the performance or observance of any of the covenants, agreements or conditions on its part contained in the Resolution, any supplemental resolution or in the Note, exclusive of any period of grace required to constitute a default or an "Event of Default" as hereinabove provided.

Upon the occurrence of any Event of Default, the Note Rate shall increase to the Default Rate and shall remain at that rate until the Note is no longer Outstanding or the Event of Default has been cured. In addition, any Holder of the Note or any trustee acting for the Holder of the Note, may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under State or federal law, or granted and contained herein, and may enforce and compel the performance of all duties required herein or by any applicable law to be performed by the Issuer or by any officer thereof.

The foregoing notwithstanding:

(i) No remedy conferred upon or reserved to the Noteholders is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to any other remedy given to the Noteholders hereunder.

(ii) No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised as often as may be deemed expedient.

(iii) No waiver of any default or Event of Default hereunder by the Noteholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

(iv) Acceleration of the payment of principal of and interest on the Note shall not be a remedy hereunder in the case of an Event of Default.

On the occurrence of an Event of Default, to the extent such rights may then lawfully be waived, neither the City nor anyone claiming through or under it, shall set up, claim or seek to take advantage of any stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Agreement, and the City, for itself and all who may claim through or under it, hereby waives, to the extent it may lawfully do so, the benefit of all such laws and all right of redemption to which it may be entitled.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.01 Covenants of City, Etc.; Successors. All of the covenants, stipulations, obligations and agreements contained in this Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time, and upon any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Section 6.02 Term of Agreement. This Agreement shall be in full force and effect from the date hereof until the Note and all other sums payable to the Holder hereunder have been paid in full.

Section 6.03 Amendments and Supplements. This Agreement may be amended or supplemented from time to time only by a writing duly executed by each of the City and the Noteholder.

Section 6.04 Notices. Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given to or filed with the City or the Bank, shall

be deemed to have been sufficiently given or filed for all purposes of this Agreement if and when sent by certified mail, return receipt requested:

(a) As to the City:

City of Tavares, Florida
201 East Main Street
Tavares, FL 32778
Attention: City Administrator

with a copy to:

Robert Q. Williams, Esquire
Williams Smith & Summers PA
380 W. Alfred Street
Tavares, FL 32778

(b) As to the Bank:

Branch Banking and Trust Company
5130 Parkway Plaza Blvd., Building No. 9
Charlotte, North Carolina 28217
Attention: Account Administration/Municipal

or at such other address as shall be furnished in writing by any such party to the other, and shall be deemed to have been given as of the date so delivered or deposited in the United States mail.

Either party may, by notice sent to the other, designate a different or additional address to which notices under this Agreement are to be sent.

Section 6.05 Benefits Exclusive. Except as herein otherwise provided, nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the City and the Noteholder, any right, remedy or claim, legal or equitable, under or by reason of this Agreement or any provision hereof, this Agreement and all of its provisions being intended to be and being for the sole and exclusive benefit of the City and the Noteholder.

Section 6.06 Severability. In case any one or more of the provisions of this Agreement, any amendment or supplement hereto or of the Note shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement, any amendment or supplement hereto or the Note, but this Agreement, any amendment or supplement hereto and the Note shall be construed and enforced at the time as if such illegal or invalid provisions had not been contained therein, nor shall such illegality or invalidity or any application thereof affect any legal and valid application thereof from time to time. In case any covenant, stipulation, obligation or agreement contained in the Note or in this Agreement shall for any reason be held to be in violation of law, then such covenant, stipulation,

obligation, or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the City to the full extent from time to time permitted by law.

Section 6.07 Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest on or principal of the Note or the date fixed for prepayment of the Note shall be other than a Business Day, then payment of such interest or principal shall be made on the next succeeding Business Day with the same force and effect as if paid on the date of maturity or the date fixed for prepayment, and no interest on any such principal amount shall accrue for the period after such date of maturity or such date fixed for prepayment.

Section 6.08 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement, and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 6.09 Applicable Law. This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Florida.

Section 6.10 No Personal Liability. Notwithstanding anything to the contrary contained herein or in the Note, or in any other instrument or document executed by or on behalf of the City in connection herewith, no stipulation, covenant, agreement or obligation of any present or future member of the City Commission, officer, employee or agent of the City, officer, employee or agent of a successor to the City, in any such person's individual capacity, shall cause such person to be liable personally for any breach or non-observance of or for any failure to perform, fulfill or comply with any such stipulations, covenants, agreements or obligations, nor shall any recourse be had for the payment of the principal of or interest on the Note or for any claim based thereon or on any such stipulation, covenant, agreement or obligation, against any such person, in his or her individual capacity, either directly or through the City or any successor to the City, under any rule or law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise and all such liability of any such person, in his or her individual capacity, is hereby expressly waived and released.

Section 6.11 Incorporation by Reference. All of the terms and obligations of the Resolution are hereby incorporated herein by reference as if all of the foregoing were fully set forth in this Agreement. All recitals appearing at the beginning of this Agreement are hereby incorporated herein by reference.

*Signature Page for LOAN AGREEMENT
dated as of June __, 2012 between
the City of Tavares, FL and Branch Banking and Trust Company*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first set forth herein.

CITY OF TAVARES, FLORIDA

ATTEST:

By: _____
Mayor

City Clerk

Approved as to form:

City Attorney

**BRANCH BANKING AND TRUST
COMPANY**

By: _____
Title: Assistant Vice President

EXHIBIT A

FORM OF NOTE

PRIOR TO BECOMING A HOLDER, A PROPOSED PURCHASER SHALL EXECUTE A PURCHASER'S CERTIFICATE IN THE FORM ATTACHED HERETO CERTIFYING, AMONG OTHER THINGS, THAT SUCH HOLDER IS AN "ACCREDITED INVESTOR" AS SUCH TERM IS DEFINED IN THE SECURITIES ACT OF 1933, AS AMENDED, AND REGULATION D THEREUNDER.

**CITY OF TAVARES, FLORIDA
GENERAL OBLIGATION NOTE, SERIES 2012**

<u>Principal Sum</u>	<u>Maturity Date</u>	<u>Note Rate</u>	<u>Date of Issuance</u>
\$3,300,000	July 1, 2031	3.49%	June ___, 2012

The CITY OF TAVARES, FLORIDA (the "City"), for value received, hereby promises to pay, solely from the sources described in the within mentioned Agreement, to the order of Branch Banking and Trust Company, a North Carolina state banking corporation, or its assigns (the "Holder"), at 5130 Parkway Plaza Blvd., Building No. 9, Charlotte, North Carolina 28217, Attention: Account Administration/Municipal or at such place as the Holder may from time to time designate in writing, the Principal Sum, such principal to be repaid in installments on the dates and in the amounts set forth on **Exhibit "A"** hereto, with all unpaid principal and interest due in full on the above referenced Maturity Date, and to pay interest on the outstanding principal amount hereof from the most recent date to which interest has been paid or provided for, or if no interest has been paid, from the Date of Issuance shown above, on January 1 and July 1 of each year (each, an "Interest Payment Date"), commencing on January 1, 2013, until payment of said principal sum has been made or provided for, at the above referenced Note Rate calculated on the basis of 12, 30-day months and a 360-day year. Payments due hereunder shall be payable in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts, which payments shall be made to the Holder hereof by check mailed to the Holder at the address designated in writing by the Holder for purposes of payment or by bank wire or bank transfer as such Holder may specify in writing to the City or otherwise as the City and the Holder may agree.

The Note Rate may be adjusted in accordance with Sections 3.03 of that certain Loan Agreement by and between the Holder and the City, dated as of May 18, 2012 (the "Agreement"). Such adjustments may be retroactive.

This Note is issued for the purpose of acquiring and construction various capital projects approved by a majority of the qualified electors of the City voting in a bond referendum of March 6, 2012, under the authority of and in full compliance with the Constitution, particularly Article VII Section 12(a) thereof, and Statutes of the State of Florida, including particularly Chapter 166, Florida Statutes and other applicable provisions of law, and Resolution No. _____, adopted by the City Council (the "Council") on June 6, 2012, and a Loan Agreement dated June ___, 2012 by and between the City and the Holder (the "Agreement").

This Note is a general obligation of the City, payable from and secured solely by a lien upon and pledge of the Pledged Revenues, as defined and described and in the manner provided in the Agreement.

All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

This Note may be prepaid by the City in whole, but not in part, on any Payment Date as provided in the Agreement from any legally available monies at a prepayment price of 101% of the principal amount to be redeemed if prepaid on or prior to January 1, 2022 and at a prepayment price of the principal amount to be redeemed if prepaid on July 1, 2022 or thereafter, plus accrued interest to the prepayment date. Prepayment shall be made on such date as shall be specified by the City in a written notice delivered to the Holder not less than five (5) days prior to the specified prepayment date. Any prepayments shall be applied as provided in Section 3.02(c) of the Agreement.

Notice having been given as aforesaid, the principal amount to be prepaid shall become due and payable on the prepayment date stated in such notice, together with interest accrued and unpaid to the prepayment date on such principal amount; and the amount of principal and interest then due and payable shall be paid upon presentation and surrender of this Note to the office of the City. If, on the prepayment date, funds for the payment of the principal amount, together with interest to the prepayment date on such principal amount, shall have been given to the Holder, as above provided, then from and after the prepayment date interest on such principal amount of this Note shall cease to accrue.

Notwithstanding any provision in this Note to the contrary, in no event shall the interest contracted for, charged or received in connection with this Note (including any other costs or considerations that constitute interest under the laws of the State of Florida which are contracted for, charged or received) exceed the maximum rate of nonusurious interest allowed under the State of Florida as presently in effect and to the extent an increase is allowable by such laws, but in no event shall any amount ever be paid or payable by the City greater than the amount contracted for herein. In the event the maturity of this Note is prepaid in accordance with the provisions hereof, the Agreement or the Resolution, then such amounts that constitute payments of interest, together with any costs or considerations which constitute interest under the laws of the State of Florida, may never exceed an amount which would result in payment of interest at a rate in excess of that permitted by Section 215.84(3), Florida Statutes, as presently in effect and to the extent an increase is allowable by such laws; and excess interest, if any, shall be cancelled automatically as of the date of such prepayment, or, if theretofore paid, shall be credited on the principal amount of this Note unpaid, but such crediting shall not cure or waive any default under the Agreement or Resolution.

THIS NOTE SHALL BE PAYABLE SOLELY FROM THE PLEDGED REVENUES, AS PROVIDED IN THE AGREEMENT AND THE RESOLUTION.

Upon the occurrence of an Event of Default the Holder of the Note shall also have such remedies as described in the Agreement.

The City hereby waives presentment, demand, protest and notice of dishonor. This Note is governed and controlled by the Agreement and reference is hereby made thereto regarding interest rate adjustments and other matters.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City has caused this Note to be signed by its Mayor, either manually or with facsimile signature, and the seal of the City to be affixed hereto or imprinted or reproduced hereon, and attested by a City Clerk of the City, either manually or with facsimile signature, and this Note to be dated the Date of Issuance set forth above.

CITY OF TAVARES, FLORIDA

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

Approved as to form:

City Attorney

FORM OF CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This Note is being delivered pursuant to the within mentioned Agreement.

CITY OF TAVARES, FLORIDA,
as Registrar

By: _____
City Clerk

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto _____ (please print or typewrite name, address and tax identification number of assignee) _____ the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ Attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Name of Noteholder: _____

By: _____

EXHIBIT A

SERIES 2012 NOTE – PRINCIPAL REPAYMENT SCHEDULE

<u>Date</u>	<u>Amount</u>
7/1/2013	\$
7/1/2014	
7/1/2015	
7/1/2016	
7/1/2017	
7/1/2018	
7/1/2019	
7/1/2020	
7/1/2021	
7/1/2022	
7/1/2023	
7/1/2024	
7/1/2025	
7/1/2026	
7/1/2027	
7/1/2028	
7/1/2029	
7/1/2030	
7/1/2031	

PURCHASER'S CERTIFICATE

City of Tavares, Florida (the "City")

Ladies and Gentlemen:

The undersigned, as a purchaser of the City of Tavares, Florida General Obligation Note, Series 2012 (the "Note") dated June __, 2012, consisting of one typewritten Note, hereby certifies that we have been provided (a) a copy of City of Tavares Resolution No. _____, adopted by the City on June 6, 2012, authorizing the issuance of the Note (the "Resolution"), (b) the Loan Agreement dated as of June __, 2012, between the City and us as assignee of Branch Banking and Trust Company (the "Agreement") and (c) such financial and general information respecting the Pledged Revenues (as such term is defined in the Agreement) and the City, and the Note described above as we deem necessary to enable us to make an informed investment judgment with respect to the purchase of said Note.

We hereby make the following representations, which representations may be relied upon by the City:

- A. We are aware:
 - (i) that investment in the Note involves various risks; and
 - (ii) that the principal or premium, if any, and interest on the Note is payable solely from the Pledged Revenues as specified in the Resolution and the Agreement.
- B. We understand that no official statement, offering memorandum or other form of offering document was prepared or is being used in connection with the offering or sale of the Note (collectively, "Disclosure Documents"), but we have been afforded access to all information we have requested in making our decision to purchase the Note and have had sufficient opportunity to discuss the business of the City with its officers, employees and others. We have not requested any Disclosure Documents in connection with the sale of the Note. We do not require any further information or data incident to our purchase of the Note.
- C. In purchasing the Note, we have relied solely upon our own investigation, examination, and evaluation of the City, and other relevant matters.
- D. We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of our investment in the Note and have determined that we can bear the economic risk of our investment in the Note.

- E. We acknowledge the understanding that the Note is not registered under the Securities Act of 1933, as amended (the "1933 Act") or Chapter 517, Florida Statutes, and that the Resolution and Agreement are not qualified under the Trust Indenture Act of 1939, as amended, and that the City has no obligation to effect any such registration or qualification.
- F. We are not acting as a bond house, broker or other intermediary, in our purchase of the Note. Although we retain the right to transfer the Note in the future, we understand that the Note may not be readily tradable.
- G. We have received all documents requested by us incident to our purchase of the Note.
- H. We acknowledge that we are an "accredited investor" within the meaning of Chapter 517, Florida Statutes and Regulation D of the 1933 Act.

Signed as of the _____ day of _____, _____.

[_____]

By: _____
Authorized Officer

**AGENDA SUMMARY
TAVARES CITY COUNCIL
DATE OF MEETING: June 6, 2012**

AGENDA TAB NO: 7

SUBJECT TITLE: Approve Resolution No. 2012-07 authorizing issuance of Capital Improvement Revenue Refunding Note, Series 2012 for Refinancing of Capital Improvement Note (\$6.7M) Wooton Park Seaplane Base and Marina Project with SunTrust Bank.

OBJECTIVE:

To seek Council's adoption of Resolution No. 2012-07 authorizing Capital Improvement Revenue Refunding Note, Series 2012 for Refinancing of Capital Improvement Note for the Wooton Park Seaplane Base and Marina Project, and authorize staff to execute financing documents with SunTrust Bank.

SUMMARY:

On March 21, 2012, the City Council requested staff to issue Request for Proposals from financial institutions for financing savings for refinancing of the Wooton Park Seaplane Base and Marina Project.

On April 15, 2012, RFP No. 2012-0017 was issued for Capital Improvement Revenue Refunding Note, Series 2012.

On May 3, 2012, bids were received and reviewed by Staff and the City's Financial Advisor Mark Galvin of First Southwest.

On May 16, 2012, bids and tabulated results were presented to the City Council. The City Council approved award of RFP 2012-0017 for refinancing of the Wooton Park Capital Improvement Note, 2008, to SunTrust Bank in the amount of \$6.7M for a term of 16 years with an indicative rate of 2.36% (2.4% yield rate).

Resolution No. 2012-07 has been prepared by the City's Bond Council, Mike Williams of Akerman Senterfitt and authorizes staff to execute financing documents with SunTrust Bank for the issuance of City of Tavares Capital Improvement Revenue Refunding Note, Series 2012 in the amount of \$6.7M or outstanding amount at time of close with an indicative rate of 2.36%.

A copy of Resolution 2012-07 and related financing documents are attached for your review.

OPTIONS:

1. Adopt Resolution No. 2012-07 and authorize staff to execute financing documents with SunTrust Bank for City of Tavares Capital Improvement Refunding Note, Series 2012 for Refinancing of Capital Improvement Note in the amount of \$6.7M (outstanding amount) at rate of 2.36%.
2. Do not adopt Resolution No. 2012-07, and do not authorize staff to execute financing documents for Capital Improvement Refunding Note, Series 2012.

STAFF RECOMMENDATION:

Move to Adopt Resolution No. 2012-07 and authorize staff to execute financing documents with SunTrust Bank for City of Tavares Capital Improvement Refunding Note, Series 2012 for Refinancing of Capital Improvement Note in the amount of \$6.7M (outstanding amount) at rate of 2.36%.

FISCAL IMPACT: Estimated annual savings: \$59,955

LEGAL SUFFICIENCY: Legally Sufficient.

RESOLUTION NO. 2012-07

A RESOLUTION OF THE CITY OF TAVARES, FLORIDA ACCEPTING THE PROPOSAL OF SUNTRUST BANK TO PURCHASE THE CITY'S NOT TO EXCEED \$6,700,000 CAPITAL IMPROVEMENT REFUNDING REVENUE NOTE, SERIES 2012 TO REFUND ALL OF THE CITY'S OUTSTANDING CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2008; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH SAID BANK TO SECURE THE REPAYMENT OF SAID NOTE; PROVIDING FOR THE PAYMENT OF SUCH NOTE FROM THE PUBLIC SERVICE TAXES LEVIED AND COLLECTED BY THE CITY PURSUANT TO SECTION 166.231, FLORIDA STATUTES, ALL AS PROVIDED IN THE LOAN AGREEMENT; AUTHORIZING THE PROPER OFFICIALS OF THE CITY TO DO ANY OTHER ADDITIONAL THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH THE EXECUTION OF THE LOAN AGREEMENT, THE NOTE, AND THE SECURITY THEREFOR; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS IN CONNECTION WITH SAID LOAN; DESIGNATING THE NOTE AS "BANK QUALIFIED;" PROVIDING FOR SEVERABILITY AND OTHER MATTERS IN REGARD THERETO; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TAVARES, FLORIDA, AS FOLLOWS:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Chapter 166, Florida Statutes, the Florida Constitution, and other applicable provisions of law.

SECTION 2. FINDINGS. It is hereby ascertained, determined and declared:

(A) The City of Tavares, Florida (the "City") deems it necessary, desirable and in the best interests of the City that the City refund all of the City's Outstanding Capital Improvement Revenue Bond, Series 2008 (the "Refunded Bonds"), all as more particularly described in the Loan Agreement (as defined herein).

(B) Pursuant to Section 2(b), Article VIII of the State Constitution, and Section 166.021, Florida Statutes, municipalities have the governmental, corporate and proprietary powers to enable them to conduct municipal government, perform municipal functions, and render municipal services, and may exercise any power for municipal purposes, except when expressly prohibited by law. The issuance by the City of its Capital Improvement Refunding Revenue Note, Series 2012 (the "2012 Note") and the execution and delivery of the Loan Agreement for the purposes of refunding the Refunded Bonds is not prohibited by law.

(C) On April 1, 2012, the City issued a request for proposal to qualified financial institutions to provide the terms and conditions under which they would purchase the

2012 Note. Based on the present volatility of the market for municipal debt and a review of the proposals received via the competitive request for proposal process, and in consultation with its financial advisor, First Southwest Company, it has been determined it is in the best interest of the City to issue the 2012 Note pursuant to the Loan Agreement by negotiated sale, allowing the City to issue the 2012 Note at the most advantageous time allowing the City to obtain the best interest rate and other terms for the 2012 Note, and accordingly, the City Council of the City hereby finds and determines that it is in the best financial interest of the City that a negotiated sale of the 2012 Note to SunTrust Bank (the "Bank") be authorized.

SECTION 3. AUTHORIZATION OF REFUNDING OF REFUNDED BONDS.

The City hereby authorizes the refunding of the Refunded Bond as more particularly described in the Loan Agreement.

SECTION 4. ACCEPTANCE OF COMMITMENT LETTER WITH BANK.

Based on a recommendation from the City's financial advisor and in consultation with the City staff, the City hereby accepts the commitment letter of the Bank dated May 3, 2012 attached hereto to provide the City with the Loan.

SECTION 5. APPROVAL OF FORM OF AND AUTHORIZATION OF LOAN AGREEMENT AND EXECUTION OF LOAN AGREEMENT AND 2012 NOTE. The repayment of the loan as evidenced by the 2012 Note shall be pursuant to the terms and provisions of the Loan Agreement and the 2012 Note. The City hereby approves the Loan Agreement by and between the City and the Bank in substantially the form attached hereto as **Exhibit A** (the "Loan Agreement") and authorizes the Mayor or the Vice Mayor of the City (collectively, the "Mayor") and the City Clerk or any deputy or assistant City Clerk of the City (collectively, the "City Clerk") to execute and deliver on behalf of the City the Loan Agreement and the 2012 Note in substantially the form attached to the Loan Agreement, with such changes, insertions and additions as they may approve, their execution thereof being evidence of such approval.

SECTION 6. PAYMENT OF DEBT SERVICE ON 2012 NOTE. Pursuant to the Loan Agreement, the 2012 Note will be secured by the Public Service Taxes collected by the City pursuant to the authorization in Section 166.231, Florida Statutes, all as more particularly described in the Loan Agreement.

SECTION 7. AUTHORIZATION OF OTHER DOCUMENTS TO EFFECT TRANSACTION. To the extent that other documents including but not limited to redemption notices, certificates, opinions, or other items are needed to effect any of the transactions referenced in this Resolution, the Loan Agreement, the 2012 Note, and the security therefore, the Mayor, the City Clerk, the City Administrator, the Finance Director, the City Attorney and Bond Counsel are hereby authorized to execute and deliver such documents, certificates, opinions, or other items and to take such other actions as are necessary for the full, punctual, and complete performance of the covenants, agreements, provisions, and other terms as are contained herein and in the documents included herein by reference.

SECTION 8. PAYING AGENT AND REGISTRAR. The City hereby accepts the duties to serve as registrar and paying agent for the 2012 Note.

SECTION 9. LIMITED OBLIGATION. The obligation of the City to repay amounts under the Loan Agreement and the 2012 Note are limited and special obligations, payable solely from the sources and in the manner set forth in the Loan Agreement and shall not be deemed a pledge of the faith and credit or taxing power of the City.

SECTION 10. DESIGNATION OF 2012 NOTE AS BANK QUALIFIED. The City designates the 2012 Note as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The City does not reasonably anticipate that the City, any subordinate entities of the City, and issuers of debt that issue "on behalf" of the City, will during the calendar year 2012 issue more than \$10,000,000 of "tax-exempt" obligations, exclusive of those obligations described in Section 265(b)(3)(C)(ii) of the Code.

SECTION 11. REPEAL OF INCONSISTENT RESOLUTIONS AND ACTIONS. All Resolutions or actions of the City in conflict herewith are hereby superseded and repealed to the extent of such conflict.

SECTION 12. EFFECT OF PARTIAL INVALIDITY. If any one or more provisions of this Resolution, the Loan Agreement, or the 2012 Note shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not effect any other provision of this Resolution, the 2012 Note or the Loan Agreement, but this Resolution, the Loan Agreement, and the 2012 Note shall be construed and enforced as if such illegal or invalid provision had not been contained therein. The 2012 Note and Loan Agreement shall be issued and this Resolution is adopted with the intent that the laws of the State of Florida shall govern their construction.

SECTION 13. REPEAL OF INCONSISTENT RESOLUTIONS AND ACTIONS. All Resolutions or acts of the City Council in conflict herewith are hereby superseded and repealed to the extent of such conflict.

SECTION 14. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 6th day of June, 2012.

CITY OF TAVARES, FLORIDA

[SEAL]

By: _____
Robert E. Wolfe, Mayor
Tavares City Council

ATTEST:

By _____
Nancy A. Barnett, City Clerk

Approved as to form:

By _____
Robert Q. Williams, City Attorney



William C. Jones
First Vice President

SunTrust Bank
Mail Code: FL-Orlando-2063
200 S. Orange Avenue, SOAB 6th Floor
Orlando, FL 32801
Tel 407.237.5909
Fax 407.237.6030
william.c.jones@suntrust.com

Mr. John Rumble
Purchasing Manager
City of Tavares
201 E. Main Street
Tavares, FL 32778

COPY

May 3, 2012

Re: RFP #2012-0017: 2012 Bank Note – Refunding of the City of Tavares, Florida – Capital Improvement Revenue Note, Series 2008

Dear Mr. Rumble:

On behalf of SunTrust Bank (the "Bank"), I am pleased to present this commitment to the City of Tavares (the "Borrower") in the amount of up to Six Million Seven Hundred Thousand Dollars and 00/100 dollars (\$6,700,000.00). It is our understanding that the proceeds of the 2012 Bank Note will be used to current refund all of the City's outstanding Capital Improvement Revenue Note, Series 2008.

This commitment is subject to: (i) the preparation, execution and delivery of mutually acceptable loan documentation, including a bond incorporating substantially the terms and conditions set forth in the Term Sheet; (ii) the absence of a material adverse change in the business, condition (financial or otherwise), results of operations, properties or prospects of the Borrower and its subsidiaries (if any) as reflected in its financial statements as of September 30, 2011; (iii) the accuracy of all representations which you have made or will make to the Bank and all information that you furnish to us and your compliance with the terms of this Commitment Letter; and (iv) a closing of the Note on or prior to June 17, 2012.

Although the following provisions, terms and conditions are intended to be comprehensive, they are not necessarily inclusive of all the anticipated terms that will be applicable to the credit and does not purport to summarize all of the conditions, covenants, definitions, representations, warranties, events of default or other provisions that may be contained in documents required to consummate this financing. All of such terms will be set forth in the final, definitive loan documents, and all such terms must be acceptable to the Bank and its counsel. This financing proposal is contingent upon the accuracy of all facts, statements and financial information submitted to the Bank by the Borrower and is conditioned upon the terms outlined in the attached Term Sheet.

The Borrower hereby agrees to pay, or reimburse the Bank on demand for, all reasonable costs and expenses incurred by the Bank (whether before or after the date hereof) in connection with this Commitment Letter and the transactions contemplated hereunder (regardless of whether any of the transactions contemplated hereby are consummated), including without limitation the reasonable costs and expenses of the Bank's counsel (including in-house counsel), and all reasonable costs and expenses of the Bank, including, without limitation, reasonable costs and expenses of the Bank's counsel (including in-house counsel), incurred in connection with the enforcement of its rights and remedies hereunder. Your obligation in respect of such costs and expenses shall survive the expiration or termination of this Commitment Letter.

This Commitment Letter shall constitute a binding obligation of the Bank for all purposes immediately upon the acceptance hereof by the Borrower in the manner provided herein. Notwithstanding any other provision of this Commitment Letter, the Bank's commitments and undertakings as set forth herein shall not be or become effective for any purpose unless and until this Commitment Letter shall have been accepted by the Borrower in the manner specified below.

If you are in agreement with the foregoing, please sign and return the enclosed copy of this Commitment Letter to the Bank at its office located at 200 S. Orange Avenue, Orlando, FL 32801. Attention: William C. Jones, Not-for-Profit & Government Banking. Unless the Bank receives such copy of this Commitment Letter duly executed by an authorized officer of the Borrower prior to 5:00 p.m. (EST) on May 24, 2012, the Bank's obligations hereunder shall terminate on such date (unless extended by mutual agreement). In no event shall the Bank have any obligation to make the Note available unless the closing shall have occurred on or prior to June 17, 2012. In addition to the foregoing, this Commitment Letter may be terminated at any time by mutual agreement.

This Commitment Letter is solely for the benefit of the Borrower and the Bank, and no provision hereof shall be deemed to confer rights on any other person or entity. This Commitment Letter may not be assigned by the Borrower to any other person or entity, but the obligations of the Borrower hereunder shall be binding upon the successors of the Borrower.

THIS COMMITMENT LETTER WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS AND TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE BORROWER AND THE BANK HEREBY WAIVES JURY TRIAL IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATED TO THIS COMMITMENT LETTER OR ANY OTHER DOCUMENTS CONTEMPLATED HEREBY.

This Commitment Letter may be executed in any number of separate counterparts, each of which shall collectively and separately, constitute one agreement. Upon acceptance by you as provided herein, this Commitment Letter shall supersede all understandings and agreements between the parties hereto in respect of the transactions contemplated hereby.

Sincerely,



William C. Jones
First Vice President
SunTrust Bank
Not-for-Profit & Government Banking

BORROWER ACCEPTS THE COMMITMENT:

_____ Date

**TERM SHEET
FIXED RATE**

Borrower: City of Tavares, Florida (the "City")

Bank: SunTrust Bank

Contact: William C. Jones
First Vice President
SunTrust Bank
200 S. Orange Avenue, SOAB 6th Floor
Mail Code: FL-ORL-2063
Orlando, FL 32801

Phone: 407-237-5909

Facility Type: Bank Qualified Loan in the form of a tax-exempt Note (the "Note") issued by the City of Tavares. The issuance must be a "qualified tax exempt obligation" under Section 265(b)(3) of the Internal Revenue Code.

Purpose: The proceeds from the 2012 Note will be used to current refund the City's outstanding Capital Improvement Revenue Note, Series 2008.

Amount: Up to \$6,700,000.00

Terms: Interest shall be payable semi-annually on February 1 and August 1, beginning on August 1, 2012. Principal payments shall be due annually on February 1 of each year, commencing February 1, 2013, with a final maturity date of February 1, 2028. Debt service payments are based on the preliminary amortization schedule provided in Appendix A of the RFP.

Security: The Series 2012 Note and the interest thereon will be payable from and secured by a senior lien on and pledge of Public Service Utility Taxes (the "Pledged Revenues")

Interest Rate Options: Option 1: 15 3/4 Year fully amortizing structure (pre-payable without penalty)
The Bank Qualified interest rate shall be 2.36% and will be fixed through the Maturity Date. Interest is payable based on a 30/360 day count basis. The indicative interest rate is shown as of May 3, 2012.

Option 2: 15 3/4 Year fully amortizing structure (with "Make Whole" provision):
The Bank Qualified fixed interest rate shall be 2.19% and will be fixed through the Maturity Date. Interest is payable based on a 30/360 day count basis. The indicative interest rate is shown as of May 3, 2012.

Rate Lock Option: For any of the above mentioned options, a rate lock is available for forty five (45) days from the date of this letter, May 3, 2012 to June 17, 2012, at an additional cost of 4 basis points added to the applicable interest rate option.

Maturity Date: February 1, 2028

**Prepayment
Alternatives:**

If the fixed rate option with a "Make Whole" provision is selected the following will apply:

Alternative – Standard Make Whole:

Borrower may prepay the Note in whole or in part at anytime upon two Business Days' prior written notice to the Bank. Such prepayment notice shall specify the amount of the prepayment which is to be made. In the event of a prepayment of the Note under this paragraph, the Borrower may be required to pay the Bank an additional fee (a prepayment charge or premium) determined in the manner provided below, to compensate the Bank for all losses, costs and expenses incurred in connection with such prepayment

The fee shall be equal to the present value of the difference between (1) the amount that would have been realized by the Bank on the prepaid amount for the remaining term of the Note at the Federal Reserve H 15 Statistical Release rate for fixed-rate payers in interest rate swaps for a term corresponding to the term of the Note, interpolated to the nearest month, if necessary, that was in effect three Business Days prior to the origination date of the Note and (2) the amount that would be realized by the Bank by reinvesting such prepaid funds for the remaining term of the Note at the Federal Reserve H 15 Statistical Release rate for fixed-rate payers in interest rate swaps, interpolated to the nearest month, that was in effect three Business Days prior to the prepayment date; both discounted at the same interest rate utilized in determining the applicable amount in (2). Should the present value have no value or a negative value, the Borrower may prepay at par with no additional prepayment charge or premium. Should the Federal Reserve no longer release rates for fixed-rate payers in interest rate swaps, the Bank may substitute the Federal Reserve H 15 Statistical Release with another similar index. The Bank shall provide the Borrower with a written statement explaining the calculation of the premium due, which statement shall, in absence of manifest error, be conclusive and binding. **This alternative is not intended to, and does not, increase the interest rate payable on the Note.**

After-Tax Yield Maintenance

- The interest rates quoted herein take into consideration a marginal maximum federal corporate tax rate of 35%. In the event of a decrease in the marginal maximum corporate tax rate, the Bank shall have the right to adjust the interest rate upwards in order to maintain the same after tax yield for the Bank
- If a determination of taxability event occurs the rate will be adjusted upward to a fixed rate equal to a rate determined necessary by Bank to maintain the same after-tax yield effective as of the date of the determination of taxability event. Upon an occurrence of a Determination of Taxability, the Borrower hereby agrees to pay to the Bank (i) an additional amount equal to the difference between (A) the amount of interest paid on the Note during the Taxable Period and (B) the amount of interest that would have been paid on the Note during the Taxable Period had the Bonds borne interest at the Taxable Rate, plus (ii) an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the Bank as a result of the occurrence of a Determination of Taxability.
- If it is determined that the Note does not qualify as BQ, the rate will be adjusted to a fixed rate (non-BQ) equal to a rate determined by Bank as of the date it is determined that the Note does not qualify as BQ.

Financing Documents

Financing Documents will include, but not be limited to, a Note, Loan Agreement and authorizing Resolution.

Legal Fees:

Our proposed bank counsel is Ed Vogel at Holland & Knight in Lakeland, Florida. Fees for our counsel will be:

- (a) \$3,000.00 if our counsel reviews documentation prepared by the counsel to the Borrower, or
- (b) \$8,000.00 if our counsel prepares all documentation and renders a bond counsel opinion.

Covenants and Conditions

- A) All matters relating to this loan, including all instruments and documents required, are subject to the Bank's policies and procedures in effect, applicable governmental regulations and/or statutes, and approval by the Bank and the Bank's Counsel.
- B) Borrower shall submit to the Bank annual financial statements within 180 days of fiscal year end and an annual budget within 30 days of adoption, together with any other information the Bank may reasonably request.
- C) Borrower shall be required to deliver a written opinion from Borrower's Counsel, in form and substance acceptable to the Bank and Bank's Counsel, that all documents are valid, binding and enforceable in accordance with their terms, that execution and delivery of said documents has been duly authorized, and addressing such other matters as the Bank and the Bank's Counsel deem appropriate.
- D) The Borrower shall comply with and agree to such other covenants, terms, and conditions that may be reasonably required by the Bank and its counsel and are customary in financings of this nature. These covenants would include, but are not to be limited to, covenants regarding compliance with laws and regulation, remedies in the event of default and the right of Bank to transfer and assign the Bond.
- E) The "Bank-Qualified" interest rate quoted herein assumes the obligations is a "qualified tax-exempt obligation" as defined in Section 265(b)(3) of the Internal Revenue Service Code. Receipt of opinion from Bond Counsel in form and substance satisfactory to the Bank, which shall include, without limitation, opinion that the interest on the Note is excludable from gross income of the owners thereof for federal income tax purposes and that the Note is a qualified tax-exempt obligation under Section 265 (b)(3) of the Internal Revenue Code.
- F) The Borrower agrees to have the principal and interest payments collected via ACH Direct Debit from a SunTrust Bank account of their choice.
- G) Additional Bonds Test: The Borrower shall not issue additional parity debt secured by the City's Public Service Utility Tax revenues unless these receipts during the preceding fiscal year are at least 1.25x the maximum annual debt service on the combined existing and proposed debt.

LOAN AGREEMENT

Dated as of June 14, 2012

By and Between

**THE CITY OF TAVARES, FLORIDA
(the "City")**

and

**SUNTRUST BANK
(the "Bank")**

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LOAN AGREEMENT

THIS LOAN AGREEMENT (the "Agreement"), made and entered into this 14th day of June, 2012, by and between **THE CITY OF TAVARES, FLORIDA** (the "City"), a municipal corporation of the State of Florida and its successors and assigns, and **SUNTRUST BANK**, a Georgia state banking corporation authorized to do business in Florida, and its successors and assigns (the "Bank").

WITNESSETH:

WHEREAS, capitalized terms used in these recitals and not otherwise defined shall have the meanings specified in Article I of this Agreement;

WHEREAS, the City, pursuant to the provisions of the Florida Constitution, Chapter 166, Florida Statutes and other applicable provisions of law (all of the foregoing, collectively, the "Act"), and Resolution No. 2012-07, adopted by the City on June 6, 2012, is authorized to borrow money, and more particularly issue the Note described below for the City's public purpose including refunding all of the City's Outstanding Capital Improvement Revenue Bond, Series 2008 (the "Refunded Bonds"); and

WHEREAS, in response to a request for proposal by the City regarding an intended borrowing to refund all of the City's Refunded Bonds, and to pay related costs of issuance, the Bank submitted its commitment, dated May 3, 2012, to the City (the "Commitment"); and

WHEREAS, the City has accepted the Commitment and the Bank is willing to purchase the Note (as hereinafter defined), but only upon the terms and conditions of this Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITION OF TERMS

Section 1.01. Definitions. Capitalized terms used in this Agreement and not otherwise defined shall have the respective meanings as follows:

"Adjusted BQ Rate" shall mean, upon a Loss of BQ Status, the interest rate per annum that shall provide the Holder with the same after tax yield that the Holder would have otherwise received had the Loss of BQ Status not occurred, taking into account the increased taxable income of the Holder as a result of such Loss of BQ Status. The Holder shall provide the City with a written statement explaining the calculation of the Adjusted BQ Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the City.

"Bond Counsel" shall mean, Akerman Senterfitt, Orlando, Florida, or any other attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions hired by the City to render an opinion on such matters with regard to the Bond.

"Business Day" shall mean a day on which the Holder and the City are open for business and on which dealings in U.S. dollar deposits are carried on in the London Inter- Bank Market.

"City Clerk" shall mean the City Clerk of the City and such other person as may be duly authorized to act on his or her behalf.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable rules and regulations promulgated thereunder.

"Debt Service" means principal and interest, and other debt-related costs, due in connection with the Note, as applicable.

"Default Rate" shall mean the Prime Rate plus 2% per annum provided such rate shall not exceed the highest rate of interest allowed by applicable law.

"Determination of Taxability" means a final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that interest paid or payable on the Note is or was includable in the gross income of a Noteholder for Federal income tax purposes; provided, that no such decree, judgment, or action will be considered final for this purpose, however, unless the City has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any Noteholder, and until the conclusion of any appellate review, if sought.

"Event of Default" shall mean an Event of Default as defined in Section 5.01 of this Agreement.

"Finance Director" shall mean the Finance Director of the City.

"Fiscal Year" shall mean the 12-month period commencing October 1 of each year and ending on the succeeding September 30, or such other 12-month period as the City may designate as its "fiscal year" as permitted by law.

"Loan" shall refer to an amount equal to the outstanding principal of the Note, together with unpaid interest and penalties, if any, which have accrued.

"Loss of BQ Status" shall mean a determination by the Holder, in consultation with the City, that the Note is not a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code (or any successor provision).

"Margin Rate Factor" shall mean the fraction the numerator of which is equal to one (1) minus the Maximum Federal Corporate Tax Rate on the date of calculation and the denominator of which is 0.65. The Margin Rate Factor shall be 0.65/0.65 or 1.0 so long as the Maximum Federal Corporate Tax Rate shall be 35%, and thereafter shall increase from time to time effective as of the effective date of any decrease in the Maximum Federal Corporate Tax Rate.

"Maturity Date" shall mean the date on which all principal and all unpaid interest accrued on the Note shall be due and payable in full, which date shall be, if not sooner due to prepayment, February 1, 2028.

"Maximum Annual Debt Service" shall mean the largest amount of annual Debt Service for any Fiscal Year in which Note and any Parity Debt (as defined in Section 4.05 hereof) shall be outstanding, excluding all Fiscal Years which shall have ended prior to the Fiscal Year in which Maximum Annual Debt Service shall have occurred.

"Maximum Federal Corporate Tax Rate" shall mean the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, determined without regard to tax rate or tax benefit make-up provisions such as the last two sentences of Section 11(b)(1) of the Code, as in effect from time to time (or, if as a result of a change in the Code the rate of income taxation imposed on corporations shall not be applicable to the Noteholder, the maximum statutory rate of federal income taxation which could apply to the Noteholder). The Maximum Federal Corporate Tax Rate on the date of execution of this Agreement is 35%.

"Note" shall mean the City of Tavares, Florida Capital Improvement Refunding Revenue Note, Series 2012 issued by the City under the Agreement and the Resolution.

"Note Rate" shall mean a per annum rate equal to (a) _____%, multiplied by (b) the Margin Rate Factor, both prior to and after the occurrence of a Determination of Taxability. Upon an Event of Default the per annum rate shall equal to the Default Rate.

"Noteholder" or "Holder" shall mean the Bank as the registered owner of the Note and any subsequent registered owner of the Note.

"Original Purchaser" shall mean the Bank.

"Payment Date" shall mean each February 1 and August 1, commencing August 1, 2012 until the Note has been paid in full.

"Pledged Revenues" shall mean all revenues derived by the City from the levy of the Public Service Tax.

"Prime Rate" shall mean the per annum rate which the Original Purchaser announces from time to time to be its prime rate, as in effect from time to time. The Original Purchaser's prime rate is a reference or benchmark rate, is purely discretionary and does not necessarily represent the lowest or best rate charged to borrowing customers. The Original Purchaser may make commercial loans or other loans at rates of interest at, above or below the Original Purchaser's prime rate. Each change in the Original Purchaser's prime rate shall be effective from and including the date such change is announced as being effective.

"Public Service Tax" shall mean such tax as the City is authorized to levy on purchases of certain utility services pursuant to Section 166.231, Florida Statutes as amended and which the City currently levies and collects pursuant to its Ordinance 92-20 (the "Public Service Tax Ordinance") on purchases of electricity, water service and metered or bottled gas (natural, liquefied petroleum gas or manufactured).

"Taxable Period" shall mean the period of time between (a) the date that interest on the Note is deemed to be includable in the gross income of the owner thereof for federal income tax

purposes as a result of a Determination of Taxability, and (b) the date of the Determination of Taxability.

"Taxable Rate" shall mean, upon a Determination of Taxability, the interest rate per annum that shall provide the Holder with the same after tax yield that the Holder would have otherwise received had the Determination of Taxability not occurred, taking into account the increased taxable income of the Holder as a result of such Determination of Taxability. The Holder shall provide the City with a written statement explaining the calculation of the Taxable Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the City.

Section 1.02. Interpretation. Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

Section 1.03. Titles and Headings. The titles and headings of the Articles and Sections of this Agreement, which have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE PARTIES

Section 2.01. Representations and Warranties of City. The City represents and warrants to the Bank as follows:

(a) Existence. The City is a municipal corporation of the State of Florida, duly created and validly existing under the laws of the State of Florida, with full power to enter into this Agreement, to perform its obligations hereunder and to issue and deliver the Note to the Bank. The making, execution and performance of this Agreement on the part of the City and the issuance and delivery of the Note have been duly authorized by all necessary action on the part of the City and will not violate or conflict with the Act, or any agreement, indenture or other instrument by which the City or any of its material properties is bound.

(b) Validity, Etc. This Agreement, the Note and the Resolution are or will be valid and binding obligations of the City enforceable against the City in accordance with their respective terms, except to the extent that enforceability may be subject to valid bankruptcy, insolvency, financial emergency, reorganization, moratorium or similar laws relating to or from time to time affecting the enforcement of creditors' rights and except to the extent that the availability of certain remedies may be precluded by general principles of equity.

(c) No Financial Material Adverse Change. No material adverse change in the financial condition of the City or the Pledged Revenues has occurred since the audited financial statements of the City for its year ended September 30, 2011.

(d) Powers of City. The City has the legal power and authority to pledge on a first lien basis the Pledged Revenues to the repayment of the Note as described herein. The Pledged Revenues are not otherwise pledged to any debt or obligations of the City.

(e) Authorizations, etc. No authorization, consent, approval, license, exemption of or registration or filing with any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, has been or will be necessary for the valid execution, delivery and performance by the City of this Agreement, the Note and the related documents, except such as have been obtained, given or accomplished.

Section 2.02. Covenants of the City. The City covenants as follows:

The City will furnish to the Bank (i) within 180 days following the end of each Fiscal Year, a comprehensive annual financial report of the City for such Fiscal Year, which shall include a balance sheet and income statement as of the end of such Fiscal Year, and an audit report of an independent CPA, (ii) within 30 days of adoption for each year the current annual budget of the City, and (iii) any other information which the Bank may reasonably request.

Section 2.03. Representations and Warranties of Bank. The Bank represents and warrants to the City as follows:

(a) Existence. The Bank is a Georgia state banking corporation, authorized to do business in the State of Florida, with full power to enter into this Agreement, to perform its obligations hereunder and to make the Loan. The performance of this Agreement on the part of the Bank and the making of the Loan have been duly authorized by all necessary action on the part of the Bank and will not violate or conflict with applicable law or any material agreement, indenture or other instrument by which the Bank or any of its material properties is bound.

(b) Validity. This Agreement is a valid and binding obligation of the Bank enforceable against the Bank in accordance with its terms, except to the extent that enforceability may be subject to valid bankruptcy, insolvency, financial emergency, reorganization, moratorium or similar laws relating to or from time to time affecting the enforcement of creditors' rights (and specifically creditors' rights as the same relate to banks) and except to the extent that the availability of certain remedies may be precluded by general principles of equity.

(c) Knowledge and Experience. The Bank (i) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of making the Loan and investing in the Note, (ii) has received and reviewed such financial information concerning the Pledged Revenues as it has needed in order to fairly evaluate the merits and risks of making the Loan and investing in the Note; and (iii) is purchasing the Note as an investment for its own account and not with a current view toward resale to the public.

ARTICLE III

THE NOTE

Section 3.01. Purpose and Use. On the date of this Agreement, the Bank shall make available to the City the Loan in the principal amount of _____ Million _____ Hundred Thousand Dollars (\$_____). The Loan will be evidenced by the Note. The proceeds available under this Agreement shall be used solely to refund the Refunded Bonds and to pay costs of issuing the Note.

Section 3.02. The Note. The Note shall be substantially in the form set forth as **Exhibit A** to this Agreement. The general terms of the Note shall be as follows:

(a) Amount of Note. The aggregate principal amount of the Note shall be _____ Million _____ Hundred Thousand Dollars (\$_____).

(b) Interest. The Note shall bear interest at the Note Rate payable on each Payment Date. Upon the occurrence of one or more of the events specified in Section 3.03 of this Agreement, the Note Rate shall be adjusted as therein provided. The Noteholder shall promptly notify the City in writing of any adjustments in a Note Rate. Notwithstanding any provision hereof to the contrary, in no event shall the interest rate on the Note exceed the maximum rate permitted by law. Interest shall be calculated on the basis of a 360-day year of 12 30-day months.

(c) Prepayments. The Note shall be subject to prepayment at the option of the City, in whole on any Business Day, from any legally available monies at a prepayment price of 100% of the principal amount to be redeemed, plus accrued interest to the prepayment date. Any prepayment shall be made on such date as shall be specified by the City in a written notice delivered to the Noteholder not less than five (5) days prior to the specified prepayment date. Any prepayment shall be applied first to accrued interest, then to other amounts owed the Bank, and finally to principal as directed by the City.

If at the time of mailing the notice of any redemption or prepayment, the City shall not have deposited with the paying agent moneys sufficient to redeem all the Note, such notice shall state that it is subject to the deposit of the redemption moneys with the paying agent not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Section 3.03. Adjustments to Note Rate. The Note Rate shall be subject to adjustment as hereinafter described and as provided in the Note.

(a) Determination of Taxability. Upon the occurrence of a Determination of Taxability and for as long as the Note remains outstanding, the Note Rate shall be converted to the Taxable Rate. In addition, upon a Determination of Taxability, the City shall pay to the Holder (i) an additional amount equal to the difference between (A) the amount of interest actually paid on the Note during the Taxable Period and (B) the amount of interest that would have been paid during the Taxable Period had the Note borne interest at the Taxable Rate, and (ii) an amount equal to any interest, penalties on overdue interest and additions to tax (as referred

to in Subchapter A of Chapter 68 of the Code) owed by the Holder as a result of the Determination of Taxability.

(b) Loss of BQ Status. So long as no Determination of Taxability shall have occurred, upon the occurrence of a Loss of BQ Status and for as long as the Note remains outstanding, the Interest Rate on the Note shall be converted to the Adjusted BQ Rate. In addition, upon a Loss of BQ Status, the City shall pay to the Holder (i) an additional amount equal to the difference between (A) the amount of interest actually paid on the Note during the period of time from the date of issuance of the Note and the next succeeding Payment Date, and (B) the amount of interest that would have been paid during the period in clause (A) had the Note borne interest at the Adjusted BQ Rate, and (ii) an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the Holder as a result of the Loss of BQ Status.

The Noteholder shall promptly notify the City in writing of any adjustments pursuant hereto. Such adjustments shall become effective as of the effective date of the event causing such adjustment. Adjustments pursuant hereto may be retroactive. The Noteholder shall certify to the City in writing the additional amount, if any, due to the Noteholder as a result of an adjustment pursuant hereto. Notwithstanding any provision hereto the contrary, in no event shall the interest rate on the Note exceed the maximum rate permitted by law.

Section 3.04. Conditions Precedent to Issuance of Note. Prior to or simultaneously with the delivery of the Note, there shall be filed with the Bank the following, each in form and substance reasonably acceptable to the Bank:

(a) an opinion of counsel to the City substantially to the effect that (i) the Resolution has been duly adopted and this Agreement and the Note has been duly authorized, executed and delivered by the City and each constitutes a valid, binding and enforceable agreement of the City in accordance with their respective terms, except to the extent that the enforceability of the rights and remedies set forth herein may be limited by bankruptcy, insolvency, financial emergency or other laws affecting creditors' rights generally or by usual equity principles; (ii) the City's execution, delivery and performance of this Agreement and execution and issuance of the Note are not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not heretofore obtained or effected; (iii) the execution, issuance and delivery of the Note has been duly and validly authorized by the City, and the Note constitutes a valid and binding special obligation of the City enforceable in accordance with its terms; (iv) the City (A) is a municipal corporation duly organized and validly existing under the laws of the State of Florida, and (B) has power and authority to adopt the Resolution, to execute and deliver this Agreement, to execute and deliver the Note, and to consummate the transactions contemplated by such instruments; (v) the execution, delivery and performance of the Note and this Agreement, and compliance with the terms thereof and hereof, under the circumstances contemplated hereby, do not and will not in any material respect conflict with, or constitute on the part of the City a breach or default under, any indenture, mortgage, deed of trust, agreement or other instrument to which the City or to which its properties are subject or conflict with, violate or result in a breach of any existing law, administrative rule or regulation, judgment, court order or consent decree to which the City or its properties are subject; (vi) to the best of such counsel's knowledge, there is no claim, action, suit, proceeding, inquiry, investigation,

litigation or other proceeding, at law or in equity, pending or threatened in any court or other tribunal, state or federal (W) restraining or enjoining, or seeking to restrain or enjoin, the issuance, sale, execution or delivery of the Note, (X) in any way questioning or affecting the validity or enforceability of any provision of this Agreement, the Note, or the Resolution, (Y) in any way questioning or affecting the validity of any of the proceedings or authority for the authorization, sale, execution or delivery of the Note, or of any provision made or authorized for the payment thereof, or (Z) questioning or affecting the organization or existence of the City or the right of any of its officers to their respective offices; (vii) the City has the legal authority to refund the Refunded Bonds and to pay associated costs of issuance, to grant a first lien on the Pledged Revenues as described herein and in the Resolution; and (viii) all conditions contained in the ordinances and resolutions of the City precedent to the issuance of the Note have been complied with;

(b) an opinion of Bond Counsel (who may rely on opinion of counsel to the City for matters not covered by such counsel's opinion), substantially to such effect that such counsel is of the opinion that: (i) this Loan Agreement constitutes a valid and binding obligation of the City enforceable upon the City in accordance with its terms; (ii) the Note is a valid and binding special obligation of the City enforceable in accordance with its terms, payable solely from the sources provided therefor in this Loan Agreement; (iii) assuming compliance by the City with certain covenants relating to requirements contained in the Code interest on the Note is excluded from gross income for purposes of federal income taxation, (iv) the Note is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code; (v) the lien of the Refunded Bonds on the Pledged Revenues has been discharged; and (vi) the Note is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code;

(c) a copy of a completed and executed Form 8038-G to be filed with the Internal Revenue Service by the City;

(d) the original executed Note and Agreement; and

(e) such other documents as the Bank reasonably may request (including, without limitation, appropriate executed Florida Division of Bond Finance forms).

When the documents and items mentioned in clauses (a) through (e), inclusive, of this Section shall have been filed with the Bank, and when the Note shall have been executed as required by this Agreement, and all conditions of the Resolution have been met, the City shall deliver the Note to or upon the order of the Bank upon receipt of the purchase price therefor.

Section 3.05. Registration of Transfer; Assignment of Rights of Bank. The City shall keep at the office of the City Clerk in the City's records the registration of the Note and the registration of transfers of the Note as provided in this Agreement. The transfer of the Note may be registered only upon the books kept for the registration of the Note and registration of transfer thereof upon surrender thereof to the City together with an assignment duly executed by the Bank or its attorney or legal representative in the form of the assignment set forth on the form of the Note attached as **Exhibit A** to this Agreement; provided, however, that the Note may be transferred only in whole and not in part. In the case of any such registration of transfer, the City shall execute and deliver in exchange for the Note a new Note registered in the name of the

transferee. In all cases in which the Note shall be transferred hereunder, the City shall execute and deliver at the earliest practicable time a new Note in accordance with the provisions of this Agreement. The City may make a charge for every such registration of transfer of a Note sufficient to reimburse it for any tax or other governmental charges required to be paid with respect to such registration of transfer, but no other charge shall be made for registering the transfer hereinabove granted. The Note shall be issued in fully registered form and shall be payable in any lawful coin or currency of the United States.

The registration of transfer of the Note on the registration books of the City shall be deemed to effect a transfer of the rights and obligations of the Bank under this Agreement to the transferee. Thereafter, such transferee shall be deemed to be the Bank under this Agreement and shall be bound by all provisions of this Agreement that are binding upon the Bank. The City and the transferor shall execute and record such instruments and take such other actions as the City and such transferee may reasonably request in order to confirm that such transferee has succeeded to the capacity of Bank under this Agreement and the Note.

The registered owner of the Note is hereby granted power to transfer absolute title thereof by assignment thereof to a bona fide purchaser for value (present or antecedent) without notice of prior defenses or equities or claims of ownership enforceable against such owner's assignor or any person in the chain of title and before the maturity of the Note; provided, however, that the Note may be transferred only in whole and not in part and provided further, that no transfer shall be permitted to anyone other than a transferee acknowledging that it is an accredited investor within the meaning of Chapter 517, Florida Statutes and Regulation D of the Securities Act of 1933. Every prior registered owner of the Note shall be deemed to have waived and renounced all of such owner's equities or rights therein in favor of every such bona fide purchaser, and every such bona fide purchaser shall acquire absolute title thereto and to all rights represented thereby.

In the event any Note is mutilated, lost, stolen, or destroyed, the City shall execute a new Note of like date and denomination as that mutilated, lost, stolen or destroyed, provided that, in the case of any mutilated Note, such mutilated Note shall first be surrendered to the City, and in the case of any lost, stolen, or destroyed Note, there first shall be furnished to the City evidence of such loss, theft or destruction together with an indemnity satisfactory to it.

Section 3.06. Ownership of the Note. The person in whose name the Note is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the Note shall be made only to the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note, and interest thereon, to the extent of the sum or sums so paid.

Section 3.07. Use of Proceeds of Note Permitted Under Applicable Law. The City represents, warrants and covenants that the proceeds of the Note will be used solely as provided in Section 3.01 hereof, and that such use is permitted by applicable law.

Section 3.08. Authentication. Until the Note shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit A, duly executed by the manual signature of the registrar as authenticating agent, it shall not be entitled to any benefit or security

under this Loan Agreement. The Note shall not be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly adopted by the registrar, and such certificate of the registrar upon the Note shall be conclusive evidence that such Note has been duly authenticated and delivered under this Loan Agreement.

ARTICLE IV

COVENANTS OF THE CITY

Section 4.01. Performance of Covenants. The City covenants that it will perform faithfully at all times its covenants, undertakings and agreements contained in this Agreement and the Note or in any proceedings of the City relating to the Loan.

Section 4.02. Payment of Note.

(a) The City does hereby irrevocably pledge the Pledged Revenues as security for the repayment of the Note.

(b) The Note will be a special obligation of the City secured solely by the Pledged Revenues and is payable from the Pledged Revenues as provided in this Agreement. The Note will not constitute a general debt, liability or obligation of the City or the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory limitation. Neither the faith and credit nor the taxing power of the City or of the State of Florida or any political subdivision thereof is pledged to the payment of the principal of or interest on the Note and the Noteholder shall never have the right to compel any exercise of any ad valorem taxing power of the City or of the State of Florida or any political subdivision thereof, directly or indirectly to enforce such payment. The Note shall not constitute a lien upon any property of the City except upon the Pledged Revenues.

Section 4.03. Tax Covenant. The City covenants to the Noteholders that the City will not make any use of the proceeds of the Note at any time during the respective terms of such Note which, if such use had been reasonably expected on the date the Note was issued, would have caused such Note to be an "arbitrage Note" within the meaning of the Code. The City will comply with the requirements of the Code and any valid and applicable rules and regulations promulgated thereunder necessary to insure the exclusion of interest on the Note from the gross income of the holders thereof for purposes of federal income taxation.

Section 4.04. Subordinated Indebtedness. The City may at any time or from time to time issue evidences of indebtedness payable in whole or in part out of the Pledged Revenues and which may be secured by a pledge of the Pledged Revenues; provided, however, that such pledge shall be, and shall be expressed to be, subordinated in all respects to the pledge of the Pledged Revenues in favor of the Note.

Section 4.05. Parity Debt. No debt payable from the Pledged Revenues on a parity with the Note ("Parity Debt") shall be issued except upon the conditions and in the manner herein provided.

(a) There shall have been obtained and filed with the City a statement of the Finance Director (1) setting forth the amount of the Pledged Revenues which have been received by the City during the most recent Fiscal Year for which audited financial statements are available; and (2) stating that the amount of the Pledged Revenues received during the aforementioned twelve month period equals at least 1.25 times the Maximum Annual Debt Service of the Note and all Parity Debt then outstanding including such Parity Debt with respect to which such statement is made. In the event Florida law is amended to provide for additional Pledged Revenues to be distributed to the City, the City may then for the purpose of determining whether there are sufficient Pledged Revenues to meet the coverage tests specified above, have the Finance Director assume that such additional Pledged Revenues were in effect during the applicable Fiscal Year.

(b) In the event any Parity Debt is issued for the purpose of refunding any debt then outstanding, the conditions above shall not apply, provided that the issuance of such Parity Debt shall not result in an increase in the aggregate amount of principal of and interest secured by a first lien on the Pledged Revenues become due in the current Fiscal Year or in any subsequent Fiscal Years.

For purposes of the above calculations, if any outstanding debt or the proposed Parity Debt bears or will bear interest at a variable interest rate for purposes of calculating Maximum Annual Debt Service, such rate shall be the rate of interest per annum equal to the highest of: (A) the actual rate borne by the indebtedness on the date of calculation, or, if a qualified fixed-rate hedge has been identified in connection with the indebtedness, the rate borne by the qualified hedge; (B) if the indebtedness has been outstanding for at least twelve months, the average rate borne over the twelve months immediately preceding the date of calculation; and (C) (1) if interest is excludable from gross income or tax-exempt under the applicable provisions of the Code, the most recent published Bond Buyer 20 Bond GO Index, or (2) if interest is not so excludable or tax-exempt, the interest rate on direct United States Treasury obligations with comparable maturities plus fifty (50) basis points.

Section 4.06. Compliance with Laws and Regulations. The City shall maintain compliance with all federal, state and local laws and regulations regarding the acquisition, construction and maintenance of the Project and the levy and collection of the Pledged Revenues.

Section 4.07. No Impairment. As long as the Note and any Parity Debt is outstanding, the pledging of the Pledged Revenues in the manner provided herein shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution or other proceedings of the City Council.

Section 4.08. Collection and Application of Pledged Revenues. The City covenants to do all things necessary on its part to continue the receipt of the Pledged Revenues. The City shall promptly upon receipt deposit all Pledged Revenues into the Capital Improvement Revenue Fund (the "Revenue Fund") hereby created. Amounts in the Revenue Fund shall be applied to pay debt service on the Note as the same becomes due. In connection with the issuance of any Parity Debt or subordinate indebtedness the City may establish such other funds or accounts as it deems advisable. The City will proceed diligently to perform legally and effectively all steps

required on its part to receive the Pledged Revenues and shall exercise all legally available remedies to enforce such collections now or hereafter available under State law.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

Section 5.01. Events of Default. Each of the following is hereby declared an "Event of Default:"

(a) payment of the principal of the Note shall not be made when the same shall become due and payable; or

(b) payment of any installment of interest on the Note shall not be made when the same shall become due and payable; or

(c) the City shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Note or in this Agreement and such default shall continue for thirty (30) days after written notice shall have been given to the City by the Noteholder specifying such default and requiring the same to be remedied; provided, however, that if, in the reasonable judgment of the Noteholder, the City shall proceed to take such curative action which, if begun and prosecuted with due diligence, cannot be completed within a period of thirty (30) days, then such period shall be increased to such extent as shall be necessary to enable the City to diligently complete such curative action; or

(d) any representation or warranty of the City contained in this Agreement or in any certificate or other closing document executed and delivered by the City in connection with the closing of the Loan shall prove to have been untrue in any material respect when executed and delivered, thereby adversely impairing the security for the Note; or

(e) any proceedings are instituted with the consent or acquiescence of the City, for the purpose of effecting a compromise between the City and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereinafter enacted; or

(f) the City admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors, declares a financial emergency or consents to the appointment of a receiver or trustee for itself or shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(g) the City is adjudged insolvent by a court of competent jurisdiction or is adjudged bankrupt on a petition of bankruptcy filed against the City, or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the City, a receiver or trustee of the City or of the whole or any part of its property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

(h) if, under the provisions of any law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property and such custody or control shall not be terminated within 90 days from the date of assumption of such custody or control; or

(i) The acceleration of the payment of principal and/or interest on any Parity Debt or subordinated debt prior to its stated maturity date.

Section 5.02. Exercise of Remedies. Upon the occurrence and during the continuance of an Event of Default, the Note shall bear interest at the Default Rate and all payments made on the Note during any such period shall be applied first to interest and then to principal. Upon the occurrence and during the continuance of an Event of Default, a Noteholder may proceed to protect and enforce its rights under the laws of the State of Florida or under this Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as a Noteholder shall deem most effective to protect and enforce such rights. Without limiting the generality of the foregoing, the Noteholder shall have the right to bring a mandamus action to require the City to perform its obligations under this Agreement, provided, the Holder shall never have the right to compel the exercise of the ad valorem taxing power of the City, or taxation on any form of any property therein to pay the Note or the interest thereon.

In the enforcement of any remedy under this Agreement, to the extent permitted by law, a Noteholder shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the City for principal, interest or otherwise under any of the provisions of this Agreement or of the Note then unpaid, within interest on overdue payments of principal and interest (to the extent permitted by law) at the Default Rate, together with any and all costs and expenses of collection and of all proceedings hereunder and under the Note (including, without limitation, reasonable legal fees in all proceedings, including administrative, appellate and bankruptcy proceedings), but payable from the Pledged Revenues, without prejudice to any other right or remedy of the Noteholder, and to recover and enforce any judgment or decree against the City, but solely as provided herein and in a Note, for any portion of such amounts remaining unpaid and interest, costs, and expenses as above provided, and to collect (but only from the Pledged Revenues) in any manner provided by law, the moneys adjudged or decreed to be payable.

Section 5.03. Remedies Not Exclusive. No remedy herein conferred upon or reserved to a Noteholder is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder.

Section 5.04. Waivers, Etc. No delay or omission of a Noteholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein; and every power and remedy given by this Agreement to a Noteholder may be exercised from time to time and as often as may be deemed expedient.

A Noteholder may waive any default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Agreement or before the completion of the enforcement of any other remedy under this Agreement, but no such waiver shall be effective unless in writing and no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.01. Covenants of City, Etc.; Successors. All of the covenants, stipulations, obligations and agreements contained in this Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time, and upon any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Section 6.02. Term of Agreement. This Agreement shall be in full force and effect from the date hereof until the Note and all other sums payable to the Bank hereunder have been paid in full.

Section 6.03. Amendments and Supplements. This Agreement may be amended or supplemented from time to time only by a writing duly executed by each of the City and the Noteholder.

Section 6.04. Notices. Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given to or filed with the City or the Bank, shall be deemed to have been sufficiently given or filed for all purposes of this Agreement if and when sent by certified mail, return receipt requested:

(a) As to the City:

City of Tavares, Florida
201 East Main Street
Tavares, FL 32778
Attention: City Administrator

With a copy to:

Robert Q. Williams, Esquire
Williams Smith & Summers PA
380 W. Alfred Street
Tavares, Florida 32778

As to the Bank:

SunTrust Bank
Mail Code FL – Orlando - 2063
200 South Orange Avenue
Orlando, FL 32801
Attention: William C. Jones

or at such other address as shall be furnished in writing by any such party to the other, and shall be deemed to have been given as of the date so delivered or deposited in the United States mail.

Either party may, by notice sent to the other, designate a different or additional address to which notices under this Agreement are to be sent.

Section 6.05. Benefits Exclusive. Except as herein otherwise provided, nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the City and the Noteholder, any right, remedy or claim, legal or equitable, under or by reason of this Agreement or any provision hereof, this Agreement and all its provisions being intended to be and being for the sole and exclusive benefit of the City and the Noteholder.

Section 6.06. Severability. In case any one or more of the provisions of this Agreement, any amendment or supplement hereto or of the Note shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement, any amendment or supplement hereto or the Note, but this Agreement, any amendment or supplement hereto and the Note shall be construed and enforced at the time as if such illegal or invalid provisions had not been contained therein, nor shall such illegality or invalidity or any application thereof affect any legal and valid application thereof from time to time. In case any covenant, stipulation, obligation or agreement contained in the Note or in this Agreement shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation, or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the City to the full extent from time to time permitted by law.

Section 6.07. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest on or principal of the Note or the date fixed for prepayment of the Note shall be a Saturday, Sunday or a day on which the Bank is required, or authorized or not prohibited, by law (including executive orders) to close and is closed, then payment of such interest or principal shall be made on the next succeeding day on which the Bank is open for business with the same force and effect as if paid on the date of maturity or the date fixed for prepayment, and no interest on any such principal amount shall accrue for the period after such date of maturity or such date fixed for prepayment.

Section 6.08. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement, and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 6.09. Applicable Law. This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Florida.

Section 6.10. No Personal Liability. Notwithstanding anything to the contrary contained herein or in the Note, or in any other instrument or document executed by or on behalf of the City in connection herewith, no stipulation, covenant, agreement or obligation of any present or future member of the City Council, officer, employee or agent of the City, officer, employee or agent of a successor to the City, in any such person's individual capacity, and no such person, in his or her individual capacity, shall be liable personally for any breach or non-observance of or for any failure to perform, fulfill or comply with any such stipulations, covenants, agreements or obligations, nor shall any recourse be had for the payment of the principal of or interest on the Note or for any claim based thereon or on any such stipulation, covenant, agreement or obligation, against any such person, in his or her individual capacity, either directly or through the City or any successor to the City, under any rule or law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise and all such liability of any such person, in his or her individual capacity, is hereby expressly waived and released.

Section 6.11. Incorporation by Reference. All of the terms and obligations of the Resolution and the Exhibit hereto are hereby incorporated herein by reference as if all of the foregoing were fully set forth in this Agreement. All recitals appearing at the beginning of this Agreement are hereby incorporated herein by reference.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first set forth herein.

ATTEST:

CITY OF TAVARES, FLORIDA

City Clerk

By: _____
Mayor

Approved as to form:

City Attorney

SUNTRUST BANK

By: _____
Title: Authorized Officer

EXHIBIT A
FORM OF NOTE

THIS NOTE MAY ONLY BE TRANSFERRED ONLY TO A HOLDER WHO IS AN "ACCREDITED INVESTOR" AS SUCH TERM IS DEFINED IN THE SECURITIES ACT OF 1933, AS AMENDED, AND REGULATION D THEREUNDER.

CITY OF TAVARES, FLORIDA
CAPITAL IMPROVEMENT REFUNDING REVENUE NOTE, SERIES 2012

<u>Principal Sum</u>	<u>Maturity Date</u>	<u>Note Rate</u>	<u>Date of Issuance</u>
\$ _____ .00	February 1, 2028	_____ %	June 14, 2012

THE CITY OF TAVARES, FLORIDA (the "City"), for value received, hereby promises to pay, solely from the sources described in the within mentioned Agreement, to the order of SUNTRUST BANK, a Georgia state banking corporation, or its assigns (the "Holder"), the Principal Sum stated above on the Maturity Date stated above except as the provisions for mandatory redemption hereinafter on each February 1 as set forth on Schedule I hereto are required to be made, together with any accrued and unpaid interest, and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent date to which interest has been paid or provided for, or if no interest has been paid, from the Date of Issuance shown above, on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing on August 1, 2012, until payment of said principal sum has been made or provided for, at the Note Rate. Payments due hereunder shall be payable in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts, which payments shall be made to the Holder hereof by ACH Direct Debit from a City designated account with SunTrust Bank or otherwise as the City and the Holder may agree.

The Note Rate may be adjusted in accordance with Sections 3.03 of that certain Loan Agreement by and between the Holder and the City, dated as of June 14, 2012 (the "Agreement"). Such adjustments may be retroactive.

All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

The Note may be prepaid by the City in whole or in part at any time as provided in the Agreement from any legally available monies at a prepayment price of 100% of the principal amount to be redeemed, plus accrued interest to the prepayment date without a prepayment premium. Prepayment shall be made on such date as shall be specified by the City in a written notice delivered to the Holder not less than five (5) days prior to the specified prepayment date. Any prepayments shall be applied as provided in Section 3.02(c) of the Agreement.

Notice having been given as aforesaid, the principal amount shall become due and payable on the prepayment date stated in such notice, together with interest accrued and unpaid to the prepayment date on the principal amount; and the amount of principal and interest then

due and payable shall be paid upon presentation and surrender of this Note to the office of the City. If, on the prepayment date, funds for the payment of the principal amount, together with interest to the prepayment date on such principal amount, shall have been given to the Holder, as above provided, then from and after the prepayment date interest on the principal amount of this Note shall cease to accrue.

This Note is authorized to be issued in the outstanding aggregate principal amount equal to the Principal Sum under the authority of and in full compliance with the Constitution and statutes of the State of Florida, including, particularly, Chapter 166, Florida Statutes and other applicable provisions of law and the City's Resolution No. 2012-07 adopted by the City Council on June 6, 2012 (the "Resolution"), and is subject to all terms and conditions of the Agreement and the Resolution. Any term used in this Note and not otherwise defined shall have the meaning ascribed to such term in the Resolution or the Agreement, as the case may be.

This Note is a limited, special obligation of the City, payable from and secured solely by a lien upon and pledge of the Pledged Revenues, as defined and described and in the manner provided in the Agreement.

Notwithstanding any provision in this Note to the contrary, in no event shall the interest contracted for, charged or received in connection with this Note (including any other costs or considerations that constitute interest under the laws of the State of Florida which are contracted for, charged or received) exceed the maximum rate of nonsurious interest allowed under the State of Florida as presently in effect and to the extent an increase is allowable by such laws, but in no event shall any amount ever be paid or payable by the City greater than the amount contracted for herein. In the event the maturity of this Note is accelerated or prepaid in accordance with the provisions hereof, then such amounts that constitute payments of interest, together with any costs or considerations which constitute interest under the laws of the State of Florida, may never exceed an amount which would result in payment of interest at a rate in excess of that permitted by Section 215.84(3), Florida Statutes, as presently in effect and to the extent an increase is allowable by such laws; and excess interest, if any, shall be cancelled automatically as of the date of such acceleration, or, if theretofore paid, shall be credited on the principal amount of this Note unpaid, but such crediting shall not cure or waive any default under the Agreement or Resolution.

THIS NOTE SHALL NOT BE OR CONSTITUTE AN INDEBTEDNESS OF THE CITY OR THE STATE OF FLORIDA (THE "STATE"), WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATIONS OF INDEBTEDNESS, BUT SHALL BE PAYABLE SOLELY FROM THE PLEDGED REVENUES, AS PROVIDED IN THE AGREEMENT AND THE RESOLUTION. THE HOLDER SHALL NEVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY, OR TAXATION IN ANY FORM OF ANY PROPERTY THEREIN TO PAY THIS NOTE OR THE INTEREST THEREON.

Upon the occurrence of an Event of Default, the Holder shall also have such other remedies as described in the Agreement.

The City hereby waives presentment, demand, protest and notice of dishonor. This Note is governed and controlled by the Agreement and reference is hereby made thereto regarding interest rate adjustments and other matters.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City has caused this Note to be signed by its Mayor, either manually or with facsimile signature, and the seal of the City to be affixed hereto or imprinted or reproduced hereon, and attested by the Clerk of the City, either manually or with facsimile signature, and this Note to be dated the Date of Issuance set forth above.

CITY OF TAVARES, FLORIDA

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

Approved As To Form:

City Attorney

FORM OF CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This Note is being delivered pursuant to the within mentioned Agreement.

CITY OF TAVARES, FLORIDA,
as Registrar

By: _____
City Clerk

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto _____ (please print or typewrite name, address and tax identification number of assignee) _____ the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ Attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Name of Noteholder: _____

By: _____

Schedule I

Principal on this Note shall be payable on February 1 of the following years and in the following amounts:

<u>Year</u>	<u>Principal Amortization</u>
2013	\$
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	

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**AGENDA SUMMARY
TAVARES CITY COUNCIL
DATE OF MEETING: June 6, 2012**

AGENDA TAB NO. 8

SUBJECT TITLE: Report on LCSO Dispatch Meeting with Sheriff

OBJECTIVE:

To provide an update of the meeting between the City of Tavares representatives (Mayor, City Administrator and Police Chief) and the Lake County Sheriff regarding terms and conditions related to dispatch services should the Council elect to contract out city dispatch services.

SUMMARY:

Meeting with the Sheriff

On April 2, 2012 City Council instructed staff to explore the possibility of the Lake County Sheriff's Office providing 911/radio dispatch services. On April 17, 2012 Mayor Robert Wolfe, City Administrator John Drury and Police Chief Stoney Lubins met with Sheriff Gary Borders, Deputy Chief Peyton Grinnell and Major Wayne Longo from LCSO.

The meeting focused on a list of core issues that would be, at a minimum, required to maintain the closest level of service that the City currently has. These issues were:

1. The **Sheriff** agreed to provide a pool of call takers that take calls for Lake County as well as cities and provide one dedicated Tavares dispatcher.

Currently, the **City** has 8 full time dispatcher/call takers.

2. The **Sheriff** agreed to hire 5 to 6 dispatchers at \$13.01 per hour. Others who apply may be able to work for other positions within the LCSO communications center.

Currently Tavares Level I Communications Officer starts at \$12.74 and Level II starts at \$14.66

3. The **Sheriff** agreed to place two smaller desktop monitors/recorders to video monitor the parks, water plants and seaplane base.

The **City** has two 42" large screen surveillance monitors/recorders for video monitoring of the parks, water plants, city hall and seaplane base.

4. The **Sheriff** agreed to let the non-emergency lines be answered with "Tavares Police Department". The emergency lines would be answered the same as Tavares currently answers.

5. The **Sheriff** estimates that the annual cost shall not exceed \$300,000 per year for dispatch services.

The **City** budget for 911/dispatch services is \$481,000. Of that, approximately \$32,628 will need to be budgeted annually in addition to contracted costs. This is to cover the department's software and radio maintenance.

6. The **Sheriff** also stated that the earliest he could accommodate the city would be in April 2013, pending completion of the county EOC.

Current Functions of Tavares Police Dispatch

The TPD 911/dispatch center is staffed 24/7 and is available to the public at the police station in City Hall. The center has 8 certified full time dispatchers. They provide the following:

- All police radio communications
- 911 emergency and non-emergency calls
- Monitor Wooton Park, Seaplane Base, Splash Park, City Hall, Water Plants and the Skateboard Park
- Monitor panic alarms within City Hall
- Monitor public works, utilities and general services radio channels
- Provide information concerning events
- Handle citizen calls for utilities after hours
- Provides internal service to police employees and city employees
- Since 2007 has handled 154,746 calls for service and 19,694 911 calls
- Handles extra watch coordination for problem areas or for citizens on vacation
- Provide safe "refuge"
- Handle minor complaints that would not require an officer to respond
- Handle walk ups 24/7

Start Up Costs

In 2007 the department reinstated its 911/radio communications center. The cost of this start-up was approximately \$492,910.28.

Recent Dispatch Events

1. Clermont: The Clermont police department has contracted with LCSO for dispatch that provides for 8 dispatchers with a cost of approximately \$396,000.
2. Mount Dora: The City of Mount Dora recently solicited a formal proposal for outsourcing dispatch services to LCSO. On May 7, 2012 the City Council of Mount Dora voted 7-0 to keep their communications center. The Sheriff had proposed a cost of \$349,757.

The cities of Tavares and Mount Dora have similar characteristics in regards to call volumes and population.

2011	Tavares	Mount Dora
911 Calls	3695	5500
Calls For Service	24,742	29,226
Population 2010	13,951	12,370
Number of Sworn Officers	27	32
2011 Budget with Dispatch	\$2,900,000	\$4,225,800

OPTIONS:

1. Instruct staff to develop a contract with LCSO for future Council approval.
2. Do not pursue contracting with LCSO for 911/radio services.

STAFF RECOMMENDATION:

Staff recommends that city council discuss this policy decision.

FISCAL IMPACT: To be determined

LEGAL SUFFICIENCY: Yes

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**AGENDA SUMMARY
TAVARES CITY COUNCIL
JUNE 6, 2012**

AGENDA TAB NO. 9

**SUBJECT TITLE: Vista Villas-Banning Beach Road-Required Sidewalk on East Side
Request to Delete from Construction Plans**

OBJECTIVE:

David Weis of Pioneer Custom Homes is requesting from Council the deletion of the requirement to construct a sidewalk on the east side of Banning Beach Road.

SUMMARY:

On October 19th, 2011, City Council approved a Planned Development rezoning of property along the west side of Banning Beach Road to allow the construction of 18 single family attached dwellings. The minutes of this meeting record that the motion to approve was clarified by the City Administrator as follows:

Mr. Drury said he wished to clarify with the applicant that the trash pads for each one will be off the road, there will be 30 to 40 new oak trees, it will be a deed restricted landscaped property with a Home Owners Association, there will be a sidewalk on the east side of the road and it will be 18 attached dwellings.

Mr. Weiss agreed.

Mr. Weis is now in the process of finalizing construction plans for this subdivision and the engineering feasibility of constructing a sidewalk on the east side of the road is being questioned. Griffey Engineering reviews subdivision construction plans for the city and staff requested that Mr. Griffey prepare a feasibility report on this sidewalk. In summary, Mr. Griffey found that Banning Beach Road had been constructed using a rural, substandard section design utilizing swale drainage without roadside shoulders. It is his opinion that a sidewalk on the east side would displace the stormwater management system for this road, creating a potential for road flooding and he therefore does not recommend the installation of sidewalks at this location.

Staff is fully appreciative of Council's directive motion that approved this rezoning however the engineering challenges for installing this sidewalk were not known or presented to Council at the time the zoning was approved.

This agenda item has been advertised in a local newspaper and notices have been mailed to all residents within 300 feet of the subject property.

OPTIONS:

1. That City Council holds a discussion with David Weis and provides staff direction on the preferred design and location of sidewalks in this subdivision.
2. That City Council takes no action on this matter.

STAFF RECOMMENDATION:

Staff recommends that City Council amends the requirement for placing a sidewalk on the east side of Banning Beach Road due to the possibility of creating stormwater and flooding problems.

FISCAL IMPACT:

None

LEGAL SUFFICIENCY:

Approved for legal sufficiency.

GRIFFEY ENGINEERING, INC.

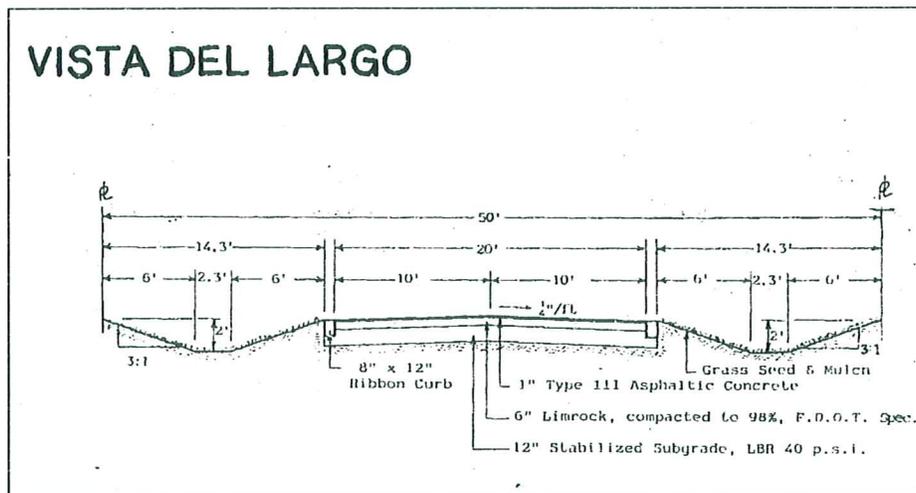
April 27, 2012

Jacques Skutt, Community Development Director
City of Tavares
201 East Main Street
Tavares, FL 32778

RE: Banning Beach Road Sidewalk

Dear Jacques:

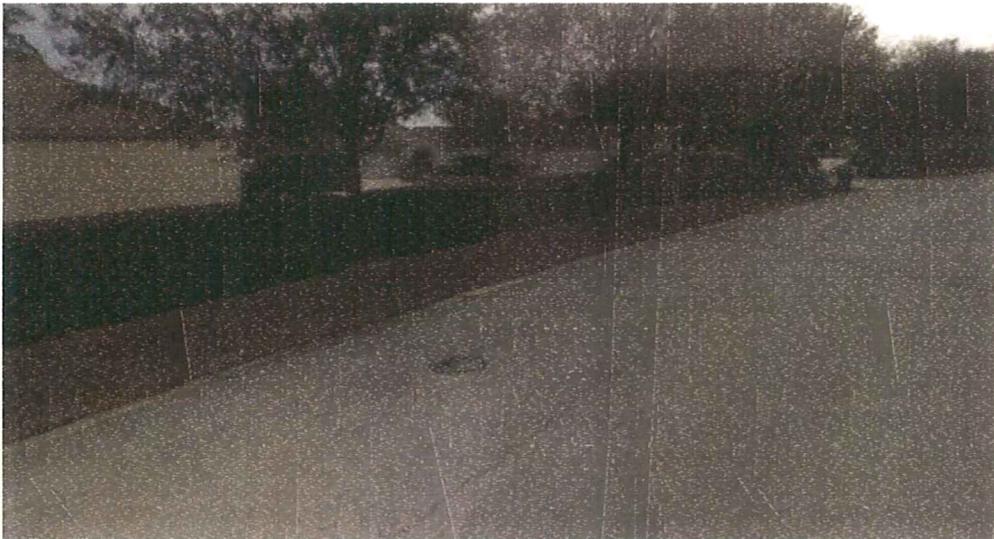
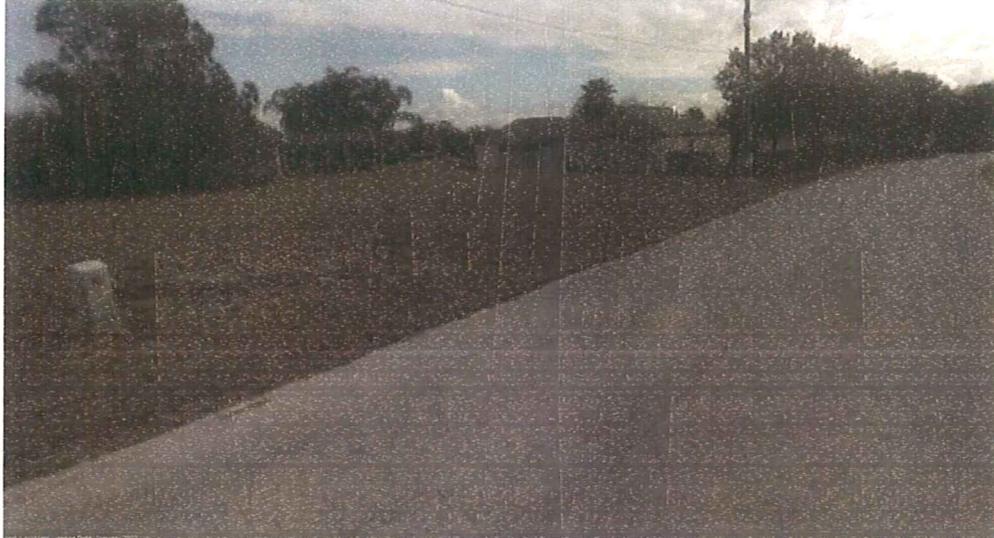
Per the City's request, I've taken a look at the feasibility of installing a sidewalk on the east side of Banning Beach Road opposite of the Vista Villa project. This portion of roadway was constructed as part of the Vista Del Largo development. A review of the original construction plans shows that the road was built with a substandard section. The road design has rural, swale drainage without roadside shoulders. It is within a 50' wide right-of-way. The typical rural right-of-way width is 66'. A 50' right-of-way is the standard width for an urban section which handles drainage with curb & gutter and underground piping. Also, a review of the construction plans shows that the roadside swales are not just a means of conveyance, they are the treatment system for the road runoff. The design road section from the plans is shown below.



Because there is insufficient right-of-way width, a sidewalk would displace the stormwater management system for this road. It would result in a loss of treatment as well as create a greater potential for road flooding. Therefore, I do not recommend the installation of sidewalks at this location.

The design for Banning Beach Road represents a minimal stormwater management approach. This type of design would not be allowed with the current Land Development

Code. Additionally, a review of current field conditions shows that the roadside swale has filled in over time. This means that the current system provides less than minimal stormwater management. It is highly advisable the swale be regarded to reestablish its functioning. The following pictures shows the current condition of the swale:



Should you have any questions or comments regarding this evaluation, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald A. Griffey". The signature is stylized and cursive.

Donald A. Griffey, P.E.

Mr. Jacques Skutt

Director, Community Development
City of Tavares

Ref: Vista Villa's

Jacques,

Per your request, I am asking that the sidewalk issues be put on the council meeting agenda for clarification.

Thanks so much,

David

Pioneer Realty Service, Inc.
David Weis, Pioneer Custom Homes
P.O. Box 1227
Tavares, Fl. 32778
352-989-2170 cell
352-343-1923 office/fax

Received 4/26/12

Orlando Sentinel

City Of Tavares
PO BOX 1068
201 EAST MAIN ST
TAVARES, FL 32778-1068

Before the undersigned authority personally appeared Pam L. Davis/Tamela Vargas/Deborah M. Toney, who on oath says that s/he is the Legal Advertising Representative of Orlando Sentinel, a daily newspaper published in Lake County, Florida; that the attached copy of advertisement, being a Public Hearing in the matter of June 6, 2012 in the Lake County __, was published in said newspaper in the issue(s); of

05/27/12

Affiant further says that the said Orlando Sentinel is a newspaper published in said Lake County, Florida, and that the said newspaper has heretofore been continuously published in said Lake County, Florida, each week day and has been entered as second-class mail matter at the post office in said Lake County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that s/he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

The foregoing instrument was acknowledged before me this 30 day of May, 2012, Pam L. Davis/Tamela Vargas/Deborah M. Toney, who is personally known to me and who did take an oath.






DEBORAH M. TONEY
NOTARY PUBLIC
STATE OF FLORIDA
Comm# DD938521
Expires 11/18/2013

CITY OF TAVARES NOTICE OF PUBLIC HEARING REQUEST TO REVISE CONDITIONS OF APPROVAL

Notice is hereby given that the City of Tavares City Council will consider a request to revise the conditions of approval for Ordinance 2011-09, for 9.7 acres on the west side of Banning Beach Road, north of East Delaware St. and south of Reserve Drive, on June 6, 2012, City Hall, 201 E. Main Street, Tavares, FL at 4:00 p.m.

The owner of this property is asking to delete the requirement to install a sidewalk on the east side of Banning Beach Road due to potential drainage problems.

If you are a person with a disability who needs any accommodation in order to participate in this proceeding, you are entitled, at no cost to you, to the provision of certain assistance. Please contact the City Planning Department: City of Tavares, 201 East Main Street, Tavares, Florida 32778, Telephone: (352) 742-6408, at least 2 (two) working days prior to the date of the Public Hearing; if you are hearing or voice impaired, call (352) 742-6433.

Nancy Barnett
City Clerk

LAK1188592

05/27/2012

**AGENDA SUMMARY
TAVARES CITY COUNCIL
DATE OF MEETING: June 6, 2012**

AGENDA TAB NO. 10

SUBJECT TITLE: Request from Property Owner to Waive Lien for Vacant Property (formerly Lake Building/Lucky Dog Restaurant)

OBJECTIVE:

Nick Magrone has requested to appear before Council to request that Council waive the lien on his property at 222/230 E. Main Street.

SUMMARY:

Currently, there is a \$1,750.00 lien recorded (30 November 2011) against the property located @ 222/230 E. Main Street due to fines that accrued as a result of the Code Enforcement Special Magistrate's Order of Enforcement. Although the violations on the property have been cleared, the outstanding fine was not paid. In accordance for Florida Statutes, a lien was recorded. When the lien has been paid or if the lien is waived by Council, the City of Tavares can issue a "Release of Lien" on the property.

OPTIONS:

- 1) Have Mr. Magrone make his request and move to waive the lien recorded against 222/230 E. Main Street.
- 2) Move to reduce the lien amount.
- 3) Do not waive or reduce the lien amount.

STAFF RECOMMENDATION:

That Council discuss and make a decision on the request by Mr. Magrone.

FISCAL IMPACT:

Fees associated with the recording of the lien and subsequent release of lien are \$28.50.

LEGAL SUFFICIENCY:

Legally sufficient

Nancy Barnett

From: Nick Magrone [nickmagrone@gmail.com]
Sent: Thursday, May 31, 2012 10:44 AM
To: Nancy Barnett
Subject: Formal Request for Council Agenda

Importance: High
Sensitivity: Private

To: Tavares City Council

Re: Request to waive Lien on Lucky Dog Property

I formally request that the city of Tavares give due consideration to waive the lien placed on the property formerly known as the Lake Building and the Lucky Dog Café.

The city deemed the property unsafe; everyone involved had to react quickly in the interest of safety ; the tenant interfered with engineering studies and insurance matters; and I was out of town when the city condemned the property as unsafe.

By the time I returned the main building was already down.

In the process of all this I was trying to save the Lucky Dog building, so a "new downtown business " could reopen.

I hope the council appreciates my efforts to cooperate and make the situation safe. Once it became clear that it was not economically feasible to restore the building safely, I immediately took action to remove the building to the best of my ability

Although I exceeded the time allotted to do this , which was unintentional on my part, it was in efforts to save a building and a downtown business.

Sincerely,

Nick Magrone
Property owner

**AGENDA SUMMARY
TAVARES CITY COUNCIL
DATE OF MEETING: JUNE 6, 2012**

AGENDA TAB NO: 11

SUBJECT TITLE: Request to Extend City-wide Impact Fee Waiver Program

OBJECTIVE:

To have City Council consider the extension of a City-wide impact fee waiver program

SUMMARY:

At its meeting held November 16, 2011, the City Council approved the waiver of the imposition of City impact fees City-wide for the period Jan.1 2012 – June 30, 2012. It is now the appropriate time for City Council to decide whether or not it wishes to continue the waiver of City impact fees city-wide.

Impact Fees

The imposition of impact fees by local governments became popular in the mid-1990's as the State of Florida was experiencing rapid growth and local governments could not keep up with the needed funding for infrastructure necessary to support that new growth.

The theory was that impact fees were a method for new growth to pay for the costs of local government infrastructure needed to support the new growth that was occurring. Initially, impact fees were levied for water and sewer infrastructure soon to be followed by transportation impact fees. Many local governments then implemented impact fees for fire, police, recreation and libraries. Finally, many counties in conjunction with the local School Board began implementing school impact fees.

Based on case law developed over time, there had to be a "rational nexus" in that the cost of an impact fee had to be equitably spread among the various land use categories for the specified fee being charged and the fees collected for a specified function had to be spent in the general geographic area in which the fee has been collected.

Over time, impact fees levied for various functions by various levels of government - city, county and school boards – have resulted in a multi-level and sometimes confusing impact fee structure.

City of Tavares – Background Information

From information presented during past budget discussions, it was shown that the property tax base of the City of Tavares is approximately 80% residential and 20% non-residential. The goal of the City Council has been through its economic development program to encourage commercial development to more evenly spread the costs of local government between residential and commercial land uses. The ideal breakdown would be a tax base of 60% residential and 40% commercial.

Exhibit 1 depicts the taxable assessed value of residential and commercial real property for the seven-year period 2005 – 2011.

The taxable assessed value of residential and commercial property roller-coasted in the period 2005 – 2011 (2012 data will not be available until later this Summer). The total taxable assessed value increased from \$395 million in 2005 to a high of \$854 million in 2008 back down to \$302 million in 2011. This steep decline in taxable residential value reflects the total downturn of residential values in the housing market coupled with the doubling of the homestead exemption for many properties in 2009. The recovery of the taxable value of residential property will be very slow due to the glut of the current housing market with foreclosed homes, as well as the “Save Our Homes” valuation cap on the annual increase of homestead residential properties.

The taxable assessed valuation of commercial property increased from a low of \$80 million in 2005 to \$198 million in 2009, an increase of \$118 million or 247%. The taxable assessed value of commercial property in 2011 is \$141 million, \$57 million below the high in 2009, a drop of 27%. In spite of the overall drops in taxable assessed valuation over the past several years, the percentage of commercial taxable assessed value as a percentage of total taxable assessed value increased from 20.4% in 2005 to 31.8% in 2011, a shift of 11.4% in six years. This indicates a consistent shift in the taxable value of the tax base to a higher level of commercial value. A substantial portion in the increase of commercial value in the tax base has to be attributed to the City’s impact fee waiver program.

City-Wide Impact Fee Waiver Program – January 2010 – May 2012

Since January 2010 the City has waived all City impact fees for all construction within the City Limits of Tavares.

Exhibit 2 shows the results of the impact fee waiver program for the past 29

months though May 2012.

Permits have been approved and issued for new construction valued at \$36,688,586 with resulting impact fee waivers of \$1,716,032. For every dollar of impact fee waived results in \$21.43 of new value construction.

At the current millage rate of 6.89 mills, this \$34.5 million of new construction will translate into new property tax revenues of an estimated \$237,705 on an annual basis.

Of the \$36.6 million in new construction, \$23.4 million or 64% was for commercial construction and \$13.2 million or 36% was for residential construction. It should be noted that since no new subdivisions have been approved in the last few years, all of the residential construction is in-fill of existing subdivisions.

Building Permits Issue and Valuation of Building Permits by Type

The attached Exhibit 3 depicts the number of building permits and construction valuation by type for the last five and a half fiscal years through May 30, 2012.

Over that time frame a total of 2,179 permits (including those for additions and alterations) were issued with a total construction valuation of \$147,369,892. In the 2006/07 fiscal year 953 (44% of the total permits issued in the 5.5 years) had a total valuation of \$41.3 million (28% of the total construction value).

In the 2010/11 fiscal year, of the \$18.0 million of total construction value, \$12.4 million or 69% can be attributable to new commercial construction projects.

In the first seven months of the 2011/12 fiscal year, of the \$21.4 of total construction value, \$16.1 million or 75% can be attributable to new commercial construction projects.

The number for the past one and a half plus fiscal years shows that there has been of total of \$39.4 million of permit construction value issued of which \$28.5 million or 72% was for new commercial construction projects.

The impact of this is two-fold. First of all is that the impact fee waivers are encouraging new commercial construction over residential construction by a ratio of 3-1. Secondly, the impact of the new commercial values will greatly assist in the City achieving the 60% residential vs. 40% commercial taxable value ratio.

City of Tavares Tax Base and Impact Fees

The current 29 months of the City-wide Impact Waiver program has produced positive results in that new commercial construction has been encouraged and limited new residential construction has resulted in the infill of existing residential

areas.

In speaking with the owners of several of the large commercial projects for which building plans have been approved, all have stated that the current impact fee waiver program was a major consideration in moving their projects forward at this time.

Of the estimated \$1.7 million in impact fees waived in 2010-2012 time frame, the majority would be for water and sewer impact fees. While the City has been fortunate to receive sizeable water and sewer grants and loans to upgrade the existing system, at some point the need for some level of water and sewer impact fees will need to be addressed.

In considering whether or not to extend the current impact fee waiver program, the basic dichotomy of the issue is the immediate growth in the property tax base, primarily in the commercial area that will continue over time, versus one-time impact fee revenue that can be used to offset the costs of public infrastructure.

Exhibit 4 is a survey of economic incentives, impact fee credits and impact fee waivers being offered by Eustis, Mount Dora, Leesburg and Lake County. Each of these local government entities are offering some type of assistance in development fee waivers and credits. The County's waiver of School and Transportation impact fees extends through March 2013. The City of Leesburg has extended its waiver of all impact fees through May 2013. In order to maintain our competitiveness with our surrounding communities it is suggested that the City of Tavares impact fee program be extended through December 2012.

Over the last 36 months, the economy in our Nation and State has been in the worst recession since the Great Depression in the 1930's. Millions of jobs have been eliminated and unemployment is at record levels. The housing market is primarily being fueled by the sale of foreclosed homes and short sales. While recent economic indicators seem to point to a "bottoming out" of the recession it will take years for the job market to recover and the construction industry to rebound.

Based on these conditions and the fact that the current City-wide impact fee waiver program has produced positive impacts, it is recommended that the current City-wide impact fee waiver program be extended through December 2012, a 6 month extension, which roughly tracks the County's waiver of its Transportation Impact Fee through March of 2013. Starting in January 2013, it is proposed that the City's impact fees be reinstated at a rate of a 33% increase every six months to reach the full 100% by July 2014.

OPTIONS:

1. To make a motion to approve public hearings in June on an Ordinance to extend the current City-wide impact fee waiver program through December 2012 and that the City's impact fees be reinstated at a rate of a 33% increase every six months to reach the full 100% by July 2014.
2. To make a motion to approve public hearings in June on an Ordinance to begin in July 2012 to reinstate City impact fees at the rate of a 33% increase every six months to reach the full 100% by December 2013.
3. To take no action and allow for the current City-wide impact fee waiver program to expire as of June 30, 2012.
4. To take other action as may be determined by Council.

STAFF RECOMMENDATION:

Staff recommends that the Council considers approval of Option 1.

FISCAL IMPACT:

The fiscal impact will be dependent on the level and type of building permits that are pulled during the various time frames. Based on the results of the first 29 months of the current City-wide impact fee waiver program, every dollar of impact fees that were waived resulted in \$21.43 of new construction value.

LEGAL REVIEW:

This proposal has been reviewed and approved by the City Attorney.

EXHIBIT 1

City of Tavares

Assessed Value and Estimated Actual Value of Taxable Property

Fiscal Year Ended September 30	Real Property				
	Residential and Commercial Real Property	Residential Property	% Residential	Commercial Property	% Commercial
2000	\$241,594,505.00				
2001	\$266,541,943.00				
2002	\$295,497,320.00				
2003	\$325,441,836.00				
2004	\$370,028,286.00				
2005	\$395,057,039.00	\$314,292,456.00	79.56%	\$80,764,583.00	20.44%
2006	\$571,345,791.00	\$449,730,616.00	78.71%	\$121,615,175.00	21.29%
2007	\$730,057,781.00	\$578,959,639.00	79.30%	\$151,098,142.00	20.70%
2008	\$854,994,055.00	\$668,605,480.00	78.20%	\$186,388,575.00	21.80%
2009	\$762,026,655.00	\$563,727,801.00	73.98%	\$198,298,854.00	26.02%
2010	\$529,262,580.00	\$396,449,871.00	74.91%	\$132,812,709.00	25.09%
2011	\$443,574,246.00	\$302,283,691.00	68.14%	\$141,280,555.00	31.85%

EXHIBIT 2

City of Tavares

Impact Fee Waiver program

January 2010 to – May 2012

The City of Tavares adopted its impact fee waiver ordinance on December 16th, 2009. Since that date, the City has processed building permits for the following new construction projects:

<u>Types of Project</u>	<u>Valuation</u>	<u>Total Fees Waived</u>
Commercial:		
Osprey Lodge	\$11,700,000.00	\$346,575.24
Massey's	\$382,523.00	\$8,171.19
Bartch Annexation**	\$161,300.00	\$1,252.50
Ellrodt Office	\$185,000.00	\$6,332.00
Kooser's BBQ	\$115,000.00	\$42,853.00
Dollar Tree	\$650,000.00	\$28,954.91
Lemon's Sports Complex	\$6,054,606.00	\$562,392.50
Tavares Medical Facility	\$71,000.00	\$5,448.96
Tavares Regional (3 unit med bldg)	\$350,000.00	\$12,768.45
Tavares Station Hotel	\$2,380,903.00	\$200,754.54
Tavares Surgical Center	\$1,423,226.00	\$33,271.76
Total Commercial	\$23,473,558.00	\$1,248,775.05
Residential:		
Multi-Family	\$3,888,375.00	\$232,279.12
Single Family	\$9,326,653.00	\$234,977.96
Total Residential	\$13,215,028.00	\$467,257.08
GRAND TOTAL	\$36,688,586.00	\$1,716,032.13

**Assessed Value of annexed property connecting to city utilities.

All individuals that have received impact fee waivers since the inception of this program have indicated, in writing, that the waivers contributed significantly with their decision go ahead with their projects.

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**AGENDA SUMMARY
TAVARES CITY COUNCIL
DATE OF MEETING: June 6, 2012**

AGENDA TAB NO. 12

SUBJECT TITLE: Discussion on Vacation Holds for Base Rate

OBJECTIVE:

Councilmember Pfister has requested that Council discussion the current policy on vacation holds for the water, wastewater, stormwater, and sanitation fees.

SUMMARY:

Currently the base rate is broken down as follows:

Water \$16.12
Sewer \$17.92
Garbage \$21.74
Storm Water \$4.50

TOTAL \$60.28 per month

The base rate fees which were approved in the most recent rate study have been included in the operating budget and debt service costs for the utility projects. The City currently does not grant vacation holds for the base rate.

OPTIONS:

- 1) Hold discussion regarding the vacation holds policy
- 2) Do not hold the discussion

STAFF RECOMMENDATION:

That Council discuss the vacation holds policy.

FISCAL IMPACT:

N/A

LEGAL SUFFICIENCY:

Legally sufficient.

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**AGENDA SUMMARY
TAVARES CITY COUNCIL
JUNE 6, 2012**

AGENDA TAB NO. 13

SUBJECT TITLE: Board/Committee Appointments: Library Board

OBJECTIVE:

To have the Mayor designate appointments to the Library Board (Three Expiring Seats).

SUMMARY:

Library Board (2 year terms June 2012-June 2014)

There are three expiring seats on the Library Board. The City advertised (Daily Commercial/Web Site) for the three seats that will expire in June 2012 .

The City has received the following requests for appointments/re-appointments:

- Charles Fox (re-appointment)
- Judy Eaton (re-appointment)
- George W. Cook (appointment)

Betty Burleigh is not seeking a re-appointment. She has been a member of the Library Board since 2002.

OPTIONS:

The Mayor will recommend appointments to the Library Board.

STAFF RECOMMENDATION:

N/A

FISCAL IMPACT:

None.

LEGAL SUFFICIENCY:

N/A

May 8, 2012

Robert Wolfe, Mayor
City of Tavares
201 E. Main Street
Tavares, FL 32778

Dear Mayor Wolfe:

My term on the City of Tavares Public Library Advisory Board will expire in June. It has been my distinct pleasure to serve the people of Tavares these many long years.

Time passes by quickly and situations in life change. The time has come for me to make a change. At this time (June 30, 2012), I would like to step down from my position on the City of Tavares Public Library Board.

Very truly yours,

A handwritten signature in cursive script that reads "Betty Burleigh".

Betty Burleigh, Boardmember
City of Tavares Public Library Advisory Board

/lb

May 8, 2012

Robert Wolfe, Mayor
City of Tavares
201 E. Main Street
Tavares, FL 32778

Dear Mayor Wolfe:

My term on the City of Tavares Public Library Advisory Board will expire in June. It has been a pleasure to serve the people of Tavares and I would like to continue in that capacity. Please accept this letter and my request for another term.

Very truly yours,

A handwritten signature in cursive script that reads "Charles Fox".

Charles Fox, President
City of Tavares Public Library Advisory Board

/lb

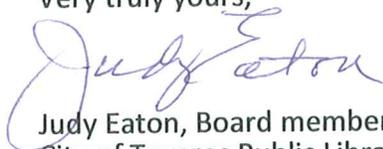
May 8, 2012

Robert Wolfe, Mayor
City of Tavares
201 E. Main Street
Tavares, FL 32778

Dear Mayor Wolfe:

My term on the City of Tavares Public Library Advisory Board will expire in June and I would be very interested in being re-appointed as a board member. My participation on the board is a good way to utilize my time in serving the people of Tavares, and I am proud to be a board member.

Very truly yours,

A handwritten signature in blue ink that reads "Judy Eaton". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

Judy Eaton, Board member
City of Tavares Public Library Advisory Board

/lb



***Application for a Board/Committee Appointment
City of Tavares***

Please Print: Cooke George W.
Last Name First Middle Initial

Telephone: (352) 742-5033 Email: preservation2009@gmail.com

Cell Phone: (352) 409-7522 Fax: _____

Present Address 2989 Lake Huron Lane, Tavares 32778

Which Board/Committee Appointment are you seeking; (Please mark with a check.)

- Bicycle Pedestrian Committee of the Metropolitan Planning Organization
- Citizens Advisory Committee of the Metropolitan Planning Organization
- Community Redevelopment Area Advisory Committee
- Fire Pension Board
- Lake County Cultural Affairs Council – Tavares Representative
- Library Advisory Board
- Planning and Zoning Board*
- Police Pension Board

***Planning and Zoning Board Applicants Only - please also complete the Planning & Zoning Board Applicant Questionnaire Attachment and attach to the application.**

Name(s) and Relationship of Relatives Working for the City: None

Have You Ever Been Convicted of or Pled Guilty or No Contest to any Felony Offense? Yes ___ No ___

Education and Training: (Circle Last Level of Education Completed)

Elementary & High School

College or University

Graduate School

1 2 3 4 5 6 7 8 9 10 11 12

1 2 3 (4)

1 2 3 (4)

Are You Employed at Present? (Please Circle)

YES

(NO)

Name of Last or Present Employer: Lake County School Board

Address: 201 W. Burleigh Blvd. Tavares FL 32778
Number and Address City State Zip

Date Hired: 2008 Position: Substitute Teacher

Brief Description of Responsibilities: Teach 6-12 for absent teachers.

Now, for the past six years I have taught English as a second language for the Lake County Library System in Curtis, Leesburg, and Tavares.

Have You Served on a City of Tavares Board or Committee? No

If You Answered Yes: When? _____ Where? _____

Professional or Civic Memberships:

1) Beta Phi Mu, Int. Library Honor Soc 2) _____

3) Lambda Iota Tau, Literature Honor Society 4) _____

Please Answer the Following (Use Back of Page if Additional Space is Needed)

1) Why would you be a good candidate for this appointment? What experience, knowledge, or special skills do you have that would be helpful to this board?

Libraries are the cornerstone of civilization. I am a librarian, a former library director, and a retired adjunct professor in the graduate school of Library and Information Studies, Rutgers University.

2) What do you think should be the purpose of this board?

To promote reading and intelligent use of information technology.

References: Give Below, the Names of Three Persons Not Related to You, Whom You Have Known at Least One Year.

- 1) Mrs Charlotte Pettinger 2994 Lake Huron Lane, Tavares 6
Name Address Business Years Known
- 2) Mr. Don Pettinger 2995 Lake Huron Lane Tavares 6
Name Address Business Years Known
- 3) Rosa Rosario Tavares Librarian 6
Name Address Business Years Known

Next of Kin: Arline Cook 2989 Lake Huron Lane Tavares wife
Name Address Relationship

In Case of Emergency, Please Notify:

Dr. David A. Cooke 2815 Leslie Park Circle, Ann Arbor, Mi 1-734-744-1220
Name Address Telephone No.

I AUTHORIZE INVESTIGATION OF ALL STATEMENTS CONTAINED IN THIS APPLICATION. I UNDERSTAND THAT MISREPRESENTATION OR OMISSION OF FACTS CALLED FOR IS CAUSE FOR VOIDING THIS APPLICATION.

Applicants Signature David A. Cooke Date May 7, 2012

This form is for completion by applicants, and is used to collect information for reporting purposes only.

In keeping with Florida Statutes Chapter 760.80(4) and to help us comply with reporting and legal requirements regarding minority representation on boards, commissions, councils and committees, please answer the questions below.

George W. Cooke May 17, 2012
Name Date of Application

Please select one of the following:

An African American; that is a person having origins in any of the racial groups of the African Diaspora.

A Hispanic American; that is, a person of Spanish or Portuguese culture with origins in Spain, Portugal, Mexico, South America, Central America, or the Caribbean, regardless of race.

An Asian American; that is, a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands, including the Hawaiian Islands prior to 1778.

A Native American, that is, a person who has origins in any of the Indian Tribes of North America prior to 1835.

An American woman.

An American man.

None of the above.

Do you qualify as physically disabled? Yes: No:

Daily Commercial

Thursday, May 10, 2012 Edition

Citizen Board Display Ad – Library Board

**CITY OF TAVARES
CITIZEN BOARDS/COMMITTEES
Library Board**

The City of Tavares is presently accepting applications for the Library Board. This position is voluntary and is appointed by the Mayor of the City of Tavares. Applications may be obtained by calling (352) 253-4546, between the hours of 8 a.m. and 5 p.m. Monday through Friday or by downloading the application from the city's web site at www.tavares.org

Applications should be submitted by Friday, May 22, 2012. For additional information please call Nancy Barnett, City Clerk, at (352) 253-4546.

212607-May 10, 2012

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**AGENDA SUMMARY
TAVARES CITY COUNCIL
June 6, 2012**

AGENDA TAB NO. 14

SUBJECT TITLE: City Administrator Report

OBJECTIVE:

To inform Council on city related matters.

SUMMARY: Will be presented at meeting

UPCOMING MEETINGS: (check with Susie Novack for any last minute changes)

- City Council Regular Meeting, June 20, 2012 – 4:00 p.m.
- City Council Budget Workshop & Meeting – July 18, 2012
- City Council Budget Workshop & Setting of Maximum Millage Rate – July 25, 2012 – 4:00 pm
- Code Enforcement Hearing – June 25, 2012 – 5:00 p.m.
- Lake County League of Cities – July 13, 2012 – 11:30 a.m.
- Lake Sumter MPO – June 27, 2012
- Library Board – June 8, 2012 – 8:30 a.m. , Library Conference Room
- Planning & Zoning Board – June 21, 2012 – 3:00 p.m., Council Chambers

EVENTS

- Classic Car Show on Main Street – June 15, 2012 – 6:00 p.m. – 9:00 p.m.
- Hydro-X tours jet ski racing – Wooton Park – June 9-10, 2012
- Fundraising Concert for Babe Ruth Program – June 9, 2012 – 4:00 p.m.
- Juneteenth Celebration – June 23, 2012 Ingraham Park from 1:00 pm to 5:00 pm – Community Event – Voters Registration/Health Screening

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**AGENDA SUMMARY
TAVARES CITY COUNCIL
June 6, 2012**

AGENDA TAB NO. 15

SUBJECT TITLE: City Councilmembers Report

OBJECTIVE:

To inform Council on city related matters.

SUMMARY:

Council will be offered an opportunity to provide a report at the meeting. Attached is any additional supporting information.

OPTIONS:

N/A

STAFF RECOMMENDATION:

N/A

FISCAL IMPACT:

N/A

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